OPPORTUNITIES FOR IMPACT:

THE BUSINESS CASE FOR EARLY CHILDHOOD DEVELOPMENT
TABLE OF CONTENTS

ABOUT THIS REPORT 05
FOREWORD 06
PEOPLE WHO MAKE A DIFFERENCE 08
EXECUTIVE SUMMARY 10

WHAT IS EARLY CHILDHOOD DEVELOPMENT? 11
WHY IS EARLY CHILDHOOD DEVELOPMENT IMPORTANT? 12
A COMPREHENSIVE APPROACH 14
  COGNITIVE STIMULATION AND EARLY LEARNING 15
  CYIENT’S ‘ADOPT A SCHOOL’ INITIATIVE 16
  CHILDCARE 16
  KIDDGO - PROVIDING CHILDCARE IN URBAN SLUMS 17
  MATERNAL & CHILD HEALTH 17
  CARGILL’s COMMITMENT TO MATERNAL & CHILD HEALTH 18
  NUTRITION 18
  CASE STUDY: MOBILE CRECHES IN INDIA 19
  RAINBOW LIGHT SUPPORTS EARLY CHILDHOOD NUTRITION 20

OPPORTUNITIES FOR IMPACT 20
  HIGH RATES OF RETURN 21
  DEVELOPMENT OF A SKILLED WORKFORCE 21
  PNC GROW UP GREAT 22
  21ST CENTURY SKILLS 22
  LION SANDS GAME RESERVE - ECD FOR DISADVANTAGED CHILDREN 23
  SOCIAL AND ECONOMIC EQUITY 24
  GENDER EQUALITY 25

WHAT CAN BUSINESS DO? A GUIDE TO ECD ENGAGEMENT OPPORTUNITIES 26
This report is part of a particular moment in which doing far more for the youngest and most vulnerable children seems increasingly possible. In September 2015, the United Nations launched the Sustainable Development Goals (SDGs) including for the first time a target that all children “have access to quality early childhood development, care and pre-primary education.”

In April 2015, World Bank President Jim Yong Kim called for “the kind of urgent global action and accountability commensurate with the [early childhood development] crisis,” labeling current efforts a “collective failure.” The Conrad N. Hilton Foundation and other philanthropic leaders and foundations have stepped forward to commit to doing even more, and President Kim has invited Ministers of Finance from around the world to a “Paris moment” at the World Bank Annual Meetings in early October 2016 to accelerate progress for children.

In September 2016, the International Commission on Financing Global Education Opportunity will release its highly anticipated report making the case for investment and charting a way forward to achieving the education SDGs, providing even greater leadership and evidence for targeted investments.

It is an important time, and even greater support and leadership from the private sector will be critical in keeping up this momentum, action, and investment. The Global Business Coalition for Education (GBC-Education) hopes this in-depth look at the business case for early childhood development (ECD) will support the efforts of leaders who have already stepped forward as well as the ongoing efforts of the Education Commission and leaders in the Business for Early Childhood Development Task Force.

GBC-Education also hopes this report will support the efforts of companies that are considering new investments or looking to increase the impact of current investments in children by adding support for ECD. We also hope that other actors, particularly in the education sector, will find this paper useful to better understand the ways that the private sector can contribute.

Finally, we hope businesses currently investing in ECD not highlighted in this report will share their work with us, so we can continue to learn from and share best practice.

A final thank you to those around the world who have been tirelessly advocating for and delivering early childhood development. May this report support your ongoing efforts.
Despite this, early childhood development (ECD) is by and large underfunded. In many communities there is simply no investment in ECD programmes, or where there is, the quality is poor. And as such, generations of children have begun their journey in less than desirable circumstances. Yet these children are future educators, community leaders, business leaders, and customers. As many other business leaders will acknowledge, the success of any business or institution relies on the quality of its workforce. This is even more critical within growing global interconnectedness, where there are constant disruptions by new technologies and innovative business models. As is detailed in this report, today’s world requires high levels of non-cognitive skills like the ability to adapt, solve problems, think critically, innovate, and work in teams. These skills are in high demand, and businesses are constantly competing for talent. Business leaders invest in expensive Talent Acquisition Strategies and training to develop our staff and harness their potential; yet in reality, these investments may be a little too late to address the most critical skills gap. This report details why this is so, and the link between the workforce skills gap and the level and quality of ECD services. The evidence presented shows that investments in quality ECD lead to a more productive, skilled work force and yield high returns in a country’s economy. Investments in ECD however, will do much more than bridge the skills gap: they will unlock the untapped potential of generations. This report details specific opportunities to realize this vision. For example, companies can leverage their core business capabilities and simultaneously unlock new business opportunities. The development of products and services that support early and healthy development of children opens up an opportunity to improve the quality of life and contribute to the wellbeing of mothers and children. As employers, we can also support greater access to ECD as employers by providing adequate parental leave and facilities to support new parents. This will advance gender equality and ultimately increase our ability to attract and retain the best talent and create a diverse working environment. In addition, children’s rights must be at the heart of any business. Safeguarding these rights will contribute to advancing ECD and therefore help us build the strong, well-educated communities on which we depend.

All of the opportunities for impact, will call for “business unusual” and new types of partnerships, but the successful businesses of the future will no longer be the ones who only create profits for their shareholders, but the ones who also create value for all stakeholders. The business community must recognize its interdependency with the society. Business cannot prosper in a society affected by poverty and inequalities, where the potential and talents of the future generation are denied at birth. This is why the Sustainable Development Goals appeal to businesses to play their part through a clear and compelling call to action. Public-Private Partnerships provide a unique opportunity to harness skills and resources to provide a holistic approach to ECD. Ultimately, we have a role to play as leaders. Through the Global Business Coalition for Education, United Nations Global Compact, and the B-team (the Business & Sustainable Development Commission), there are concerted efforts to steer the business community towards more sustainable business. The future of any business is intrinsically linked with the future of every child. Our ability to provide that child with the physical, social, cognitive and emotional support will determine our ability to survive as a business and ultimately as a society. I therefore invite you to go through this report with three questions in mind: what can you do through your core business? What can you do as an employer? What can you do as a leader?

Bob Collymore, CEO Safaricom, Board Member UN Global Compact, B-team member and Commissioner for the Business & Sustainable Development Commission

FOREWORD

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It is often said that it takes a village to raise a child, and now more than ever, we live in a global village, a complex interconnected world. As citizens of this global village we all have the opportunity and the responsibility to give every child an equal opportunity to grow and thrive. Failing to do so hinders the prospects for prosperity for the smallest unit — the family — and ultimately the largest unit — the village — to prosper.
Children as early as possible. And growing economy necessitates investments in politician and researcher, makes me certain that a stable promise of these investments. The impressive economic children or adults, yet we have failed to realize the less expensive than later interventions aimed at older in life.

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The benefits of early childhood development are greatest for the poorest and most marginalised children, no matter who they are or where they were born — receives these critical interventions in the worst years. One of the most important things we’ve learned through this work is that investing early is one of the best ways to lower the vulnerability of the poorest children, families and communities. Quality early childhood development programs — health, education and childcare — dramatically improves a child’s chances of survival and later success in life. Investment is needed urgently.

The Global Fund to Fight AIDS, Tuberculosis, and Malaria: Globally, we’ve made unprecedented progress in saving lives over the last 15 years. One of the most important things we’ve learned is that investing in early childhood development programs — health, education and childcare — dramatically improves a child’s chances of survival and later success in life. Investment is needed urgently.

Amel Karboul, Secretary-General, Maghreb Economic Forum and Former Tunisian Minister of Tourism: Early childhood is the most important time to invest in a child’s learning and future success. These programs are more effective and less expensive than later interventions aimed at older children or adults, yet we have failed to realize the promise of these investments. The impressive economic evidence, as well as my experience as a businesswoman, politician and researcher, makes me certain that a stable and growing economy necessitates investments in children as early as possible. Karen Bouchane, Director of Policy and Advocacy, Global Business Coalition for Education: We need a whole child approach. Good high-promising rhetoric is a great sign political will is shifting. This must be followed by a serious scale-up of new and better financing from all sources and a revolution in the way we approach spending new and current financing. Investing early in all aspects of quality health and cognitive development for children is the single greatest thing we can do to build an equitable world.

Dr. Ngozi Okonjo-Iweala, Board Chair, GAVI, the Vaccine Alliance: Ensuring every child’s well being today is the best way of securing robust economies tomorrow. Currently, Africa and Asia lose 11% of their GDP every year because of malnutrition, a preventable condition. We know that investing in early years across health, wellbeing and learning will allow our children to grow, learn, and earn to their full potential. Our economies depend on our children and we must not ignore the importance of giving them a healthy and equitable start in life.

Strive Masiyiwa, Founder and Chairman, Econet Wireless & Founding Member, GBC-Education: Childhood education should not be a privilege, but a birthright for everyone. World leaders must keep their promise to get every girl and boy in the world into school. In order to meet that promise efforts must begin long before a child enters the classroom. As a founding member of the Global Business Coalition for Education, I strongly support the recommendations offered in this report. This is one way you, too, can do your part to help build a more peaceful and prosperous future for all.

Mark Dybul, Executive Director, The Global Fund to Fight AIDS, Tuberculosis, and Malaria: Globally, we’ve made unprecedented progress in saving lives over the last 15 years. One of the most important things we’ve learned through this work is that investing early is one of the best ways to lower the vulnerability of the poorest children, families and communities. Quality early childhood development programs — health, education and childcare — dramatically improves a child’s chances of survival and later success in life. Investment is needed urgently.

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Ray Chambers, UN Secretary-General’s Special Envoy for Health in Agenda 2030 and for Malaria: "There is no greater need than securing a safer and healthier future for our children. Despite tremendous gains, child survival and malnutrition remain urgent concerns. The link between the health and nutrition of women and newborns, the appropriate care given to young children and the ability of a child to fully benefit from learning has become increasingly clear. Whether protection from disease and infection, ensuring adequate breastfeeding and the provision of micronutrients, or providing a secure and stimulating environment for the child, these early investments add up to the best possible start in life."

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EXECUTIVE SUMMARY

Investing in early childhood development (ECD) makes business sense from scientific, economic, and equity standpoints. The earlier the investment in a child’s growth and development, the higher the rate of return on that investment. Early investments offer the best opportunity for maximum impact, while simultaneously reducing the high costs of future interventions. ECD is also critical to achieving nearly all of the Sustainable Development Goals, including ensuring quality education, eradicating poverty, improving nutrition, protecting health, achieving gender equality, and fostering peaceful societies.

Holistic early childhood development interventions are critical to supporting all aspects of children’s development. Physical, social, and emotional care, and mental stimulation are deeply intertwined and mutually reinforcing. Effective ECD initiatives support healthy growth by integrating all of the things that children, their mothers, and their caregivers need, including play, early learning, childcare, maternal and child health, and nutrition. Quality ECD interventions lead to better school readiness and academic achievement, and help develop essential skills that are key to success both in school and in the workplace. These very early interventions also improve equity by providing more opportunities for marginalized and disadvantaged children to succeed.

Not investing early can have long-term negative effects on a child’s educational achievement, health, mental and emotional well-being, and behavior, with consequences for the development of a skilled workforce. In the developing world, 200 million children under five are currently prevented from reaching their full developmental potential by poverty, insufficient nutrition and health services, and inadequate cognitive stimulation. UNICEF estimates that unless ECD provision accelerates, by 2030 almost 70 million children may die before the age of five, with children in sub-Saharan Africa 10 times more likely to die before their fifth birthday than children from high-income countries.

Despite the substantial benefits and returns, comprehensive ECD programs are chronically underfunded and underprioritized by international donors, country governments, and private philanthropy. In fact, by and large, ECD efforts are delivered piecemeal and there is little data to track overall investments. With such great unmet need, governments alone are unable to provide universal access to comprehensive ECD services. The lack of resources means that a significant number of children are excluded from the significant benefits of ECD interventions, missing out on the chance to reach their full developmental potential.

Understanding the importance of and investing in comprehensive ECD programs is an opportunity for businesses to both multiply the positive outcomes of existing investments in health and education and help to develop a more productive, skilled workforce. This paper outlines why investing early is increasingly important and articulates how ECD investments impact children, communities, and business, offering concrete suggestions for business to contribute.

WHAT IS EARLY CHILDHOOD DEVELOPMENT (ECD)?

The Global Business Coalition for Education uses the term “early childhood development” or ECD to describe holistic support for children in their early years including all aspects of health, education, and care necessary for healthy growth. Cross-cutting initiatives can include early childhood education (ECE), early childhood care and education (ECCE), and early childhood care and development (ECCD).

Early childhood, from pregnancy to the start of primary school, is a critical period in a child’s development. Inadequate mental and cognitive stimulation, healthcare, nutrition and overall child care during this time can significantly impact a child’s long-term health and well-being, emotional development, ability to learn, and eventual professional success. Comprehensive ECD focuses on a multi-sectoral approach to supporting the healthy growth and development of children in all four areas of physical, cognitive, linguistic, and socio-emotional development through integration of support and services.
WHY IS EARLY CHILDHOOD DEVELOPMENT IMPORTANT?

The first years of life indelibly shape a child’s future, even into adulthood. The most substantial brain development takes place in early childhood, particularly in the first 1,000 days between pregnancy and a child’s second birthday. In these early years, a child’s brain develops 700 new neural connections every second, the highest rate of development during an individual’s lifetime.4 These neural pathways affect not only learning and cognitive abilities, but also an individual’s physical and mental health, social and emotional development, and behavior throughout their life.5 Good nutrition within the first 1,000 days also has a lasting positive impact, adding inches to a child’s height, strength and resilience to a child’s body, and allowing a child to reach their full cognitive potential.6 When nutrition interventions for adolescent girls, women, and children are smartly integrated with other ECD initiatives, not only can chronic malnutrition — stunting — be prevented, but cost effectiveness of operating programs also increases.7 These early gains can never be lost, but the reverse is also true. A lack of the right nutrients in the womb and in the early years of life can forever stunt the potential growth of a child’s body and mind,8 while inadequate care, mental stimulation, and toxic stress can permanently harm brain development.

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WHY IS EARLY CHILDHOOD DEVELOPMENT IMPORTANT?

The Sustainable Development Goals include target 4.2:

“By 2030 ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.”

ECD is also critical to achieving nearly all the other Sustainable Development Goals, including ensuring quality education, eradicating poverty, improving nutrition, protecting health, achieving gender equality, promoting decent work for all, and fostering peaceful societies.
A COMPREHENSIVE APPROACH

Early Childhood Development efforts are proven most effective when all aspects of health, education, and care are integrated, rather than provided independently.10 This holistic approach does not necessarily require new interventions or parallel programs, but a new approach to support children, their families, and their caregivers with ways to integrate missing elements into existing efforts. For example, pre-primary schools can offer school feeding programs and regular health check ups in tandem with their early learning programs. Cognitive and mental stimulation can be provided simultaneously with health services, for example by training health workers to actively engage with a child while giving a vaccine or health checkups and offer parents information about the benefits of play and responsive communication.

Cognitive Stimulation and Early Learning

Cognitive stimulation exposes and engages young children to environments and activities that promote the development of their cognitive and language skills. Stimulation includes responsive communication, opportunities for play, and early learning activities. Responsive communication fosters children’s understanding and use of language through activities such as talking, singing, and reading aloud, while play develops fine and gross motor skills, enabling children to develop important communication, socialization, and problem-solving skills, and expands creativity.13 For babies and toddlers, responsive communication and play are serious business, laying the foundations for formal education.14 Simple games such as stacking and knocking over blocks teach toddlers critical pre-math and pre-science concepts, including shapes, gravity, balance, and counting.15 Pre-primary education offers important early learning and social experiences to older children, preparing them for school, and leading to improved academic outcomes.

Conversely, understimulation and stress have damaging effects on brain development. Lack of exposure to responsive communication and play can result in long-term negative consequences on a child’s learning and physical, mental, and emotional health. Roughly 80% of brain development is completed by age 3 and 90% by age 5,16 so the “achievement gap between advantaged and disadvantaged children shows up as early as nine months old.”17 Children cannot wait for primary school for cognitive development to begin.

Access to early learning programs, however, remains seriously limited. In 2014, less than 50% of children globally and a mere 17% of children in low-income countries were enrolled in pre-primary school.18 For younger children, mental and cognitive stimulation interventions are even more limited and little data is available on access or quality. Early brain development comes primarily from the efforts of parents or caregiver to engage, play and respond to a child either in the home or at a care facility.

In low-resource settings, where parents may work long hours and struggle just to provide for their children’s basic physical needs, access to age-appropriate toys and the ability to prioritize learning through play can be seriously limited. Support is critical to help parents and caregivers understand the importance of play and responsive interactions and equip them with ideas about how to work with what they have, for instance, supporting caregivers to see that even simple household items like cups and spoons can serve as toys for play and early learning or to make their own toys from recycled items. The Care for Child Development Package offers simple advice for parents and caregivers to ensure children receive the play and communication they need for the brains to grow but not all parents, caregivers, or others who interact with children have access to this advice.

PLACING WITH BLOCKS TEACHES CHILDREN...

Early math skills such as counting, estimating and balance

Early science skills like testing hypotheses

Fine and gross motor skills

Social skills like sharing

Problem solving

Creativity

In a seminal study in Jamaica, low-income stunted toddlers were enrolled in a two-year psychosocial stimulation and nutrition program as well as provided free health care. The stimulation intervention consisted of weekly four-hour home visits from trained community health aides and focused on developing the child’s cognitive, linguistic, and psychosocial skills through play, educational games, and responsive communication. Health workers also worked with mothers to support them to better understand the benefits of responsive communication and provide families with age-appropriate toys.

Twenty years later, this program was shown to have “compensated for early developmental delays and reduced later-life inequality.”19 Participants showed significant cognitive benefits into adulthood, higher academic attainment, better psychosocial skills, and reduced participation in crime. Participants’ income was also an average of 25% higher compared to children who did not receive the cognitive stimulation intervention and had caught up to that of non-stunted children. These findings demonstrate the significant long-term benefits of investment in comprehensive care and services and the potential of simple, but early interventions, and support for parents to significantly improve outcomes for disadvantaged children.

AT-HOME COGNITIVE STIMULATION IN JAMAICA

In a seminal study in Jamaica, low-income stunted toddlers were enrolled in a two-year psychosocial stimulation and nutrition program as well as provided free health care. The stimulation intervention consisted of weekly four-hour home visits from trained community health aides and focused on developing the child’s cognitive, linguistic, and psychosocial skills through play, educational games, and responsive communication. Health workers also worked with mothers to support them to better understand the benefits of responsive communication and provide families with age-appropriate toys.

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High quality childcare, provided by parents or other adult caregivers, supports all aspects of development in a child’s first years. Quality care offers parents or other adult caregivers, high quality childcare, provided by childcare centers and expanding social programs, and offer quality care including nutritious meals and health monitoring.

Maternal & Child Health

Optimal early development begins with the health of a young woman long before she considers pregnancy. Immunization history, good nutrition, monitoring for genetic conditions that may impact her children, and discouraging substance abuse (including smoking) are all key elements of ECD.

For both mother and child, integration of medical prevention and care delivery is also critical to healthy early childhood development. Good examples of this include regular prenatal and postnatal check-ups, as well as ensuring that trained medical professionals are guiding this care throughout pregnancy, during childbirth, and for post-natal checkups. Adverse newborn conditions and childhood illnesses must be managed, or ideally prevented in the first place, via simply integrated medical care. A simple but strong example is the combination of growth charts with a vaccine schedule. Clinic staff or community health workers typically work with families either at home or at a medical office to record a child’s height and weight in order to track nutrition status over time (see next section) using a chart with time on the X axis and height on the Y axis. The X axis (time) also has helpful reminders added to remind a health worker of how to integrate the care he or she is providing in real time: timing of relevant vaccines, helpful reminders on care and stimulation for the child, and other health and development interventions. Simple tools like this one make it easy for care to be integrated regardless of where a family may be reached.

In addition to direct health interventions, the level of environmental toxins in women and children’s surroundings can either enable or hinder the child’s development (and of course the health of an entire family and community). Availability of clean water, sanitation, and good hygiene including hand washing with soap (WASH) protect the health and nutritional status of children. Finally, improving access to WASH within communities is proven to have positive impacts on maternal and child health, gender equality, and reductions in gender violence.
Cargill’s commitment to maternal and child health

In 2010, international food and agriculture company Cargill launched comprehensive maternal and child health and nutrition programs for its employees working on plantations in Indonesia. Female employees and their children receive full health care services, including prenatal care, immunizations, monthly health check-ups, and family planning services. Pregnant employees undergo job assessments to ensure their current work does not have a potentially harmful impact on their unborn child; if so, employees are able to rotate roles for the duration of pregnancy. Women are also able to access classes on maternal and child health, nutrition, and reproductive health.

Cargill also distributes nutritious food and vitamin supplements for mothers and babies, designates nursing areas for working mothers, and promotes breastfeeding. Nutrition interventions for children also take place at 22 daycares and 41 schools sponsored by Cargill, which provide free education to children on the plantation premises. These nutrition programs include monthly weight checks for children at the daycares to keep track of healthy growth and development, bi-annual weight checks for kindergarten and primary school children, and a quarterly “Nutrition for Children” monthly newsletter.

For instance, Nutrition for Kids provides free education to children on the plantation premises. These nutrition programs include monthly weight checks for children at the daycares to keep track of healthy growth and development, bi-annual weight checks for kindergarten and primary school children, and a quarterly “Nutrition for Kids” monthly newsletter.

Nutrition impacts and is influenced by a wide range of development issues, reaching far beyond the health sector. A good example is the interaction of malnutrition and water and sanitation. Conditions as simple as diarrhea, and diseases resulting from unclean water, lack of hand washing, or lack of sanitary restroom facilities, cause one out of every four cases of stunting among children under 2, and half of the global malnutrition burden. A focus on supporting nutrition in the 1,000 day window between pregnancy and the second birthday provides a strong foundation for children to thrive for the rest of their lives, including in education attainment, gender equality, and empowerment.

Nutrition

‘Nutrition’ is commonly equated with ‘food’ or ‘hunger.’ However, good nutrition means much more than just having enough food. It means having the right balance of foods and nutrients in the diet, or provided as supplements if necessary. This is especially important for pregnant women and women planning to become pregnant, to improve their own nutrition and to ensure good nutrition for their children.

Roughly 1 in 3 children in low and middle income countries are stunted — chronically malnourished, too short for their age. These children’s bones and brains will never grow to their full potential, holding them back in school, work, and life. At the same time, 1 in 3 children worldwide experience wasting (acute malnutrition) from food insecurity or shortages, as a side effect of disease, unsafe water, or lack of sanitation. Wasting is common in emergency settings — especially among children — but occurs more often in non-emergencies, often alongside stunting.

Stunting among children is most often caused by suboptimal breastfeeding practices in the first six months following birth, which may later be compounded by a lack of dietary diversity in complementary foods. As many as 20% of stunting cases are caused by malnutrition of a woman before or during pregnancy, as well as pregnancy among adolescent girls, leading to low birth-weight. The causes of wasting, including food shortages, diarrhoeal disease due to unsafe drinking water, or lack of sanitation, highlight the interconnectedness of threats to children’s health as well as the opportunities. For example, community management of acute malnutrition is an opportunity to provide solutions for wasting and stunting as well as related ECD interventions. It may also serve as an avenue to collect data on access and outcomes.

Mobile creches in India — a holistic approach for the most marginalized

In 1969, Mobile Creches was established to reach the children of migrant workers employed on urban construction sites; today it is recognized as a model for holistic ECD programming. Construction workers move between sites frequently, which presents serious challenges for childcare and school. These parents are usually too poor to pay for formal care and, as migrants, cannot rely on nearby family for support, so they are left with the option to either bring the children to the dangerous building site or leave them unsupervised. For older children, the frequent moves make enrolling in a local school and progressing in education very difficult. As a result, children of migrant construction workers can be some of the most vulnerable in India.

To help these hard-to-reach children, Mobile Creches creates on-site creches (ages 0-6) and daycares (ages 6-12) that provide holistic services six days a week to support all aspects of children’s development as well as to support their parents. More recently, they have expanded to creating these care centers in urban slums. When the creches are placed on job sites, the building company pays for all or part of the financing, while in slums the cost is shared between Mobile Creches and local community-based organizations.

Impact

To date, Mobile Creches has reached approximately 750,000 children, run 650 care centers, and trained 6,500 women as caregivers. On average, they reach 14,000 children per year, about 2/3 on construction sites and 1/3 in urban slums. Mobile Creches’ advocacy work also helped to pass India’s 1996 law requiring creches on worksites that employ more than 50 women and they continue to advocate for building companies to create creches on all work sites. Mobile Creches’ proven approach also offers a model to draw from for extending comprehensive ECD services to children who are displaced or living in precarious circumstances.

Photo Cargill Inc.
Investments in ECD offer businesses the highest returns on their initial investments and are more successful and cost-effective than later interventions. Early learning programs have been shown in the short run to “immediately generate about $2 for every $1 dollar invested, through the sale of local goods and services,” and in the long run, to have an estimated return on investment of up to 10.1 for disadvantaged children. One study estimates that increasing pre-school enrollment to 50% in every low- and middle-income country would result in an 8%-18% return on investment.

The return on investment for early childhood nutrition programs alone is impressive. Data shows that every $1 invested in preventing stunting among children generates up to $18 in economic returns. When these programs are smartly integrated for delivery at scale, the impacts only grow. In comparison, later interventions such as adult literacy programs, job training services, and education for disadvantaged adults, while important, are much more costly, show significantly lower economic returns, and prove less effective at closing the achievement gap for the most disadvantaged.

Opportunities for Impact

Supporting the health, learning, and well-being of children is not only good for society, it’s also good for business. Many companies already prioritize and invest significantly in issues such as health, education, and gender equality: comprehensive ECD interventions underpin these existing investments and multiply their positive outcomes. Investing in a comprehensive package of ECD programs offers maximum impact and returns and improves the outcomes of existing investments.

Early Childhood Development is a Smart Investment

The earlier the investment, the greater the return.

Prenatal programs

Programs targeted toward the earliest years

Preschool programs

Schooling

Job training

Development of a Skilled Workforce

Participation in quality ECD programs lays a strong foundation of knowledge and skills that prepare a child for success in primary school and beyond. This in turn reinforces existing investments in formal education and can help guarantee long-term positive outcomes for investors. Investment in ECD reaps twofold rewards: (1) ensuring children grow up with strong brains and bodies, and (2) contributing to a more skilled, equal, and empowered workforce.

Graduates of ECD programs tend to remain in the school system longer, earn better grades, possess higher cognitive skills, and be more competent in the non-cognitive aspects of development than their peers. Results from several studies found that early learning programs increased pre-math skills by up to 21% and pre-reading skills by as much as 52% - 74% for low-income children, and reduced placement in remedial education classes by up to 43%. Academic benefits can even extend beyond primary education, improving learning outcomes into secondary school.

Quality nutrition interventions go hand in hand with school readiness and achievement; research shows a direct correlation between rising stunting rates and primary school dropout rates. A 2007 study looking at educational attainment, poverty, and stunting observed a 7.9% decline in the proportion of children completing primary school for every 10% increase in stunting, showing the powerful connection between the two.

The World Bank estimates that over the next decade, more than 1 billion young people will enter the global labor market, and only 40% will be working in jobs that currently exist. The private sector will create 90% of those new jobs. This pace of change does not appear to be slowing any time soon, making a resilient and adaptable workforce with strong foundational skills increasingly imperative. The International Labor Organization reports, however, that currently the share of under-educated young workers in low-income countries is three times higher than in upper-middle-income countries. By investing in the healthy development and educational attainment of children, particularly those living in the developing world, companies help to build a stronger, more competent, more equitable workforce with the skills and training needed to fill the jobs of the future. Early investments can help guarantee a sufficient supply of skilled and adaptable workers in the future as well as reduce the high costs of training necessary when employees have received an inadequate education.
21st Century Skills

Additionally, ECD programs foster important “21st century skills,” including cooperation and teamwork, communication, creativity, self-discipline, motivation, self-esteem, and emotional development. These are sometimes called “soft skills,” but they are anything but “soft.” 21st century skills are vital for academic and professional success and general well-being. Children depend on these skills in the formal school setting, both while learning basic academic competencies and when interacting with peers and teachers, as well as later in professional settings. Investments in quality ECD programming enable children, especially those from disadvantaged backgrounds, to develop these essential skills, priming them for success in school and preparing them to be more successful employees in the long run.

PNC GROW UP GREAT®

PNC Grow Up Great® is a $350 million, multi-year, bilingual initiative that began in 2004 to help prepare children from birth to age 5 for success in school and life. Founded by The PNC Financial Services Group, Inc., the program provides the leadership, advocacy, funding, volunteers, and educational resources to help families, educators and community partners offer innovative opportunities that enhance children’s learning and development. PNC’s grants to Head Start and other non-profit organizations often support projects that emphasize vocabulary as preschoolers learn math, science, the arts, and financial education. Since its inception, the program has reached more than 2.6 million children.

Employee volunteerism is a key component of the initiative. PNC offers eligible employees up to 40 paid hours each year to volunteer at local early childhood centers and awards monetary grants to centers where employees have volunteered a certain number of hours. To date, employees have given more than 605,000 hours of their time as well as donated over 825,000 classroom items.60

In addition to financial and employee support of early childhood centers, PNC also sustains an ongoing national awareness campaign, highlighting the importance of school readiness as a workforce and economic development tool and makes the case for increased investment in early childhood education. Through multiple forms of media, this campaign has gained billions of media impressions and distributed over 3 million free bilingual, educational resources, developed in partnership with Sesame Workshop and geared towards helping parents “turn everyday moments into learning opportunities for young children.”

LION SANDS GAME RESERVE - ECD FOR DISADVANTAGED CHILDREN

Lion Sands, a private game reserve in South Africa, supports the healthy growth and development of children in the surrounding community, which is significantly affected by poverty and HIV/AIDS. The company provides support for a daycare facility — which cares for children ages 0-2, and was initially constructed to enable teen mothers to return to school — as well as a preschool for children starting at age 2. Through Lion Sand’s sponsorship, the Henna Preschool has greatly expanded its enrollment from 20 children in 2002 to 175, built 3 new classrooms, supplied outdoor toys, and renovated old classrooms and the kitchen.

Lion Sands has also helped the preschool to provide daily lunches for the children, supplied the school with running water, and added solar power. Through the school garden project, Henna preschool provides the children with fruit and vegetables, bread, chicken, and other food items and teaches them about food production. The project also assists the children’s families with building similar gardens in their own homes, facilitating skills transfer, improving nutrition, and increasing income amongst the whole community. Lion Sands’ involvement in these children’s lives does not end after preschool, but continues through university. Through their support for the daycare and preschool centers, Lion Sands provides disadvantaged children with opportunities to learn and grow, helping them succeed in school and escape the cycle of poverty.

Rapid changes in technology and markets mean students cannot learn all of the skills they will be required to use during their careers; rather they must learn how to learn and how to adapt to continual changes in the workplace.

Early investment in these 21st century skills is critical to long-term positive outcomes, as “skill begets skill” and “if a child is not motivated to learn and engage early in life, the more likely it is that when the child becomes an adult, he or she will fail in social and economic life.” Rapid changes in technology and markets mean students cannot learn all of the skills they will be required to use during their careers; rather they must learn how to learn and how to adapt to continual changes in the workplace. Research has also shown that today’s employers “demand fewer people with basic skill sets and more people with complex thinking and communication skills.” Many employers look for recruits who can apply their existing knowledge and critical thinking skills to new situations, collaborate with others, innovate, and solve problems as they arise.

In a survey of 4,000 UK employers, 24% reported that a significant portion of their staff lacked essential skills to do their jobs. Most commonly lacking were teamwork, communication, and problem solving skills. Quality ECD can be foundational in fostering such skills early.
Social and Economic Equity

The exclusion of marginalized children first from school and later from the work force represents significant economic losses for a country. Investment in early childhood development helps to prevent the opportunity costs of this lost talent and to provide a larger and more diverse pool of workers for business and growth. Children from disadvantaged or marginalized communities benefit the most from comprehensive early childhood interventions, gaining developmental ground not only in nutrition and health outcomes but, also in cognitive development, school achievement, and non-cognitive skills. ECD programs therefore help prevent the potential loss of talent and economic production that occurs when children are ill or malnourished, die young, or are excluded from learning.

Early nutrition programs aimed at the first 1,000 days between pregnancy and the second birthday are particularly key to improving equity. For example, breastfeeding is a low cost, high impact intervention that can provide a level playing field for all children, regardless of their socioeconomic background, gender, or ethnicity. Exclusively breastfeeding a child for the first six months is universally available and not necessarily dependent on access to the formal healthcare system. Benefits include higher IQ attainment, additional years of education, and higher lifetime income. While breastfeeding serves as an excellent example, all nutrition interventions that promote the healthy growth of the brain and body in the first years of life are pro-equity, as ensuring universal access to care can improve otherwise uneven chances for a fair start in life. Integrating nutrition interventions into a holistic ECD approach has been shown to have even more positive equity outcomes.

Cognitive and linguistic skills gaps arise early and are increasingly hard to reverse as children age. Quality childcare and early learning programs have the potential to level the playing field for children entering primary school, helping to prevent or decrease the skills gap between children from poor or marginalized backgrounds and their more advantaged peers. White disadvantaged children without the benefit of ECD often find themselves several grades behind in school and eventually earning 30% less as adults. Graduates of early learning programs frequently outperform their peers both in school readiness and academic achievement. In the United States, one study found that raising preschool enrollment to 100% for low-income three and four year olds could reduce disparities in school readiness by up to 20% between black and white children and up to 36% between Hispanic and white children.

DIFFICULT CONTEXTS: THE NEED FOR ECD IN EMERGENCIES AND PROTRACTED CRISIS

ECD services can be life-saving for children living through crisis situations in both the short and long term. ECD centers provide children safe places to play and learn and can support children’s physical growth and development through supplemental nutrition and health care services. ECD programs in emergency and crisis environments also can provide key psychological and socio-emotional support for children who are born into trauma, who have witnessed violence, or who have experienced loss.

For companies already investing in education in emergencies, investments in ECD interventions in emergency contexts are an excellent way to extend the positive outcomes of these investments to the youngest children. Businesses interested in supporting ECD in emergencies can invest in the newly launched Education Cannot Wait Fund. The Global Business Coalition for Education is currently working to mobilize $100 million in financial and in-kind support from the private sector for this fund over the next two years.

Gender Equality

Early childhood development interventions help to close the gender gap in health, education, and employment. Girls who access ECD programs are more likely to attend primary school, to stay in school longer, and to succeed academically.

In Brazil, low-income girls who attended community preschools were two times as likely to reach grade 5 and three times as likely to reach grade 8 than girls who did not participate. ECD programs are especially useful for providing educational opportunities for disadvantaged girls, who face some of the biggest obstacles to education and who have been shown to reap some of the biggest benefits from ECD programs. ECD can further promote gender equality through the content and implementation of programs and curriculum — such as by treating boys and girls equally, actively counteracting gender stereotypes, and utilizing gender sensitive materials.

Affordable quality childcare not only provides developmental support for young girls, it also frees time for adolescent girls to attend school instead of caring for their siblings and takes the childcare burden off of mothers, enabling them to enter the workforce or go to school themselves. Many mothers without quality childcare options take informal jobs that allow them to work at or near home or bring children with them, but these jobs are often lower quality and lower paid. Access to childcare therefore permits mothers to take higher quality, better paying jobs, improving the living standard for the whole family. Nutrition and other child health interventions included in ECD are also ineextricably linked to gender equality outcomes. Girls who have the nutrition they need to fully develop cognitively and fight off disease achieve higher outcomes at school, and may be more empowered in their daily lives as adolescents and adults. At the same time, the unequal position of women compared to men in many societies often leads to reduced health outcomes for women and has been associated with malnutrition in children. Delivering other critical child health services such as vaccinations equally, and targeting harder to reach populations within these efforts, gives boys and girls an equal chance to grow up strong and be able to focus on education and other ambitions.

Business investment in ECD offers the opportunity for more girls and women to become educated, to enter the workforce, and to contribute their skills to the local economy, increasing opportunities for economic growth and diminishing the costs of uneducated women. Improving girls’ education has significant economic benefits, as “one additional school year can increase a woman’s earnings by 10 to 20 percent.” Better educated girls also raise healthier children. The global increase in women’s education over the past 40 years has prevented an estimated four million child deaths, diminishing child illness, malnutrition, and mortality and the consequent costs of so much lost talent.
WHAT CAN BUSINESS DO? A GUIDE TO ECD ENGAGEMENT OPPORTUNITIES

The evidence is clear: investment in early childhood development makes sense scientifically and economically. The earlier the investment in a child’s development, the greater the return on that investment in the long run and the better the chances that disadvantaged children will develop and grow to their full potential.

By investing in comprehensive, integrated ECD services, the private sector has the opportunity to both multiply the positive outcomes of their existing investments and to become a leader in the provision of integrated ECD services.

**Invest:**

Provide financial and in-kind support for ECD initiatives

Provide financial or in-kind resources, time, volunteers, and expertise to support play, mental stimulation, and early learning initiatives. For example, in the development and delivery of early learning and play materials, such as books, toys, curricula, and learning software.

Invest in high quality, free preschools that are accessible especially to poor and marginalized children and take a ‘whole child’ approach.

Invest in the integration of missing elements of ECD and leverage work that is already being done. For example, support health clinics to include materials for play and early learning in their waiting rooms, invest in water and sanitation facilities at schools and daycare centers, provide nutritious meals in schools, or create new solutions to integrate missing services within existing education, health, or nutrition or other community programs.

Contribute knowledge and skills to provide advice on issues such as the "tax code, management practices, marketing, human resource policies, and other issues" to government or not-for-profit childcare and preschool centers.

Invest in research and development to create better ways to deliver existing services or new treatment and prevention options for maternal and child health. For example, supporting research on technologies to deliver vaccines to the hardest to reach children.

Partner with local organizations to help bridge technology gaps or add capacity for data analysis. For example, better record keeping and long-term data tracking of maternal and child health at the local level can enable more targeted programming, getting to where they are most needed and enabling changes in strategy or outreach.

Provide supply chain expertise and support for cost-effective, reliable distribution of life-saving vaccines, food and nutrition supplements, and other critical supplies.

Contribute knowledge and skills to provide advice on issues such as the "tax code, management practices, marketing, human resource policies, and other issues" to government or not-for-profit childcare and preschool centers.

**Enable:**

Implement ECD-friendly employee policies and programs

Provide quality childcare for employees on or off site or collaborate with off-site centers to provide subsidized access and/or guaranteed spots for employee children.

Offer paid parental leave to both mothers and fathers and foster a company culture where employees feel they can take parental leave without risk of professional repercussions. This can also enable exclusive breastfeeding for the first six months after birth.

Implement policies that support working parents. Support flexible hours, a compressed workweek, leave to stay home with a sick child, and telecommuting options that allow parents the flexibility to provide high quality child care and support exclusive breastfeeding.

Create ways for working mothers to breastfeed, including providing safe spaces to nurse or pump breast milk and supporting nursing breaks.

Provide health care benefits for employees and their dependents.

**Empower:**

Promote healthy choices and access to ECD services for employees and communities

Offer education for employees on the importance of comprehensive early childhood development, particularly quality childcare, mental stimulation, and learning through play.

Work with local communities to offer opportunities for parents and other caregivers to learn about the importance of play, mental stimulation, and responsive communication.

Support women (including employees) to seek out high quality health care for themselves and their children. When women and their families access health care services, ensure other critical ECD services and programs are available at the same point of access.

Support women and their families to vaccinate children on schedule and integrate vaccinations with other health check-ups, including monitoring nutritional status.

Engage employees in generating ideas for supporting initiatives in their own communities with resources and/or volunteer time.
CHAMPION:

Use your voice, influence, specific expertise and/or relevant market to support ECD.

1. Use your influence as a business leader to champion the importance of comprehensive ECD to both policy makers and communities. Speak, write, and lead by example with messages in support of public investment for effective programs since they do not have an obvious vested interest in ECD.

2. Food, nutrition, and agricultural companies have many specific obvious vested interest in ECD. By:

- Investment for effective programs since they do not have an obvious vested interest in ECD.
- Integrating high-micronutrient varieties of seeds and other staple crops.
- Healthcare and pharmaceutical companies also have numerous specific opportunities to support children’s growth and development through their products and expertise, including:

  - Developing new or adapting existing healthcare products and services to reduce cost, increase safety, and better reach women and children in resource-poor settings.
  - Exploring “new pricing strategies and alternative revenue streams that increase the affordability of healthcare.”
  - Adjusting value chains to local markets, to lower costs and better address the health needs of poor and hard-to-reach women and children.
  - Investing in strengthening local health systems, improving health care worker training, and developing better health policies and standards.

3. Supporting the availability of both enough food and the right foods by encouraging fortified diet staples in households, as well as the availability of naturally nutritious foods that are locally grown.

4. Creating and monitoring corporate strategies to improve nutrition, improve the nutritional content of products, and sell these products at fair, competitive prices.

5. In investing for fortifying existing products and sourcing grains from farmers who grow micronutrient-enriched staple crops.

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