South Africa Public Expenditure and Institutional Review for Early Childhood Development

WORLD BANK GROUP

basic education
Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

Foreword

Early Childhood Development (ECD) is a key priority for the South African government and is one of the most powerful levers to unlock the future potential of the country. The period from conception to five years of age is the time in which we can have the largest influence to ensure children thrive throughout life. Investing in ECD is one of the most important tools we have to reduce the acute impact of poverty and ensure better performance of our children in formal schooling. If we lay a good foundation early on, we can reduce a child's likelihood to leave school prematurely, we can improve their performance in school, build the skills they will need to succeed in the workforce and, ultimately, reduce poverty and boost equality.

The Department of Basic Education (DBE) has partnered with the World Bank and the National Treasury to conduct this Public Expenditure and Institutional Review. The DBE has identified two priority outcomes: reduced malnutrition in the early years and improved early learning to guide the review. To improve and strengthen the delivery of the ECD function, the review examines expenditure that is allocated to ECD, identifies opportunities to increase or improve expenditure, and suggests ways to strengthen inter-departmental and cross-government collaboration to help ensure that all children in South Africa receive a comprehensive package of integrated support and services to build the foundations to thrive later in life.

The review considers the extent to which expenditure across various government departments and spheres is aligned with ECD priority outcomes. The analysis includes reporting on relevant and complementary expenditures and conducts analysis of budgets from multiple Departments.

The PEIR identifies the major constraints and opportunities for further expansion of ECD services and quality improvements and options for how to address these going forward. The options are presented in phases to indicate the most pressing priorities and ensure fiscal affordability. Increased funding for ECD will be required, but there are also changes that can be made with more limited fiscal impact, to expand and improve ECD service delivery. We hope that this review and the options it presents will be useful in informing the ECD sector's medium to long-term planning and provide the necessary motivation for increased funding to the sector and for strengthened collaboration between government departments.

The ECD function transfer creates an urgent opportunity to take stock of existing efforts and make changes to ensure a brighter future for our children. More than one quarter of South African children below the age of 5 are stunted, indicating unacceptable levels of malnutrition. An estimated 80 percent of children are living in learning poverty, unable to read and understand a simple paragraph by the age of 10. The moment to change is now. Good progress has been made in the recent decade, including expanded access to grade R, increased funding to subsidise the cost of ECD programmes for poor children and wider implementation of the National School Nutrition Programme.

South Africa can build on these successes to ensure that all children in in the country - and especially the most disadvantaged - have the full support they need to grow and thrive. This effort will require a whole-of-government and whole-of-society approach and the World Bank stands ready to play its part.

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Acknowledgements

This Public Expenditure and Institutional Review (PEIR) was jointly initiated by the World Bank, the Department of Basic Education (DBE) and National Treasury in preparation for the shift in the coordination function for Early Childhood Development (ECD) from the Department of Social Development (DSD) to the DBE on April 1, 2022. The PEIR was prepared by a team from the World Bank and the Research on Socioeconomic Policy (RESEP) at the University of Stellenbosch.

The study team was led by Elizabeth Ninan Dulvy, Program Leader, Human Development at the World Bank and Amanda Devercelli, Senior Education Specialist and Global Lead for Early Childhood Development (ECD) at the World Bank, who were also co-authors of the report. The team was comprised of Servaas van der Berg (co-author, RESEP), Martin Gustafsson (co-author, RESEP), Gunilla Pettersson Gelander (co-author, Consultant), Jesal Kika-Mistry (co-author, Consultant), Frances Beaton-Day (co-author, Consultant), Alasdair Fraser (analyst, Consultant), Mamy Rakotomalala (analyst, Consultant), Martin Moreno (analyst, Consultant), Simon Cresswell (analyst, Consultant), Najma Shaikh (co-author, Consultant), Madelynne Wager (research assistant, Consultant) and Stuti Sachdeva (research assistant, Consultant).

A multi-sectoral advisory committee was established under the PEIR led by the DBE that brought together senior officials from different sectoral ministries (education, health, and social development), the National Treasury, the Department of Cooperative Governance and Traditional Affairs (local government) and the Department of Planning, Monitoring and Evaluation (DPME), which sits in the Presidency. The study team worked closely with the advisory committee to establish the priority outcomes for the PEIR and discuss emerging findings and recommendations. The team is sincerely grateful to Simone Geyer (Deputy Director-General: Planning and Delivery Oversight Unit, DBE) and Patrick Khunou (Deputy Director-General: Finance and Administration, DBE) for chairing the advisory committee meetings, as well as Kulula Manona (Chief Director: Foundations for Learning, DBE) and Janeli Kotzé (Deputy Director: Research, Monitoring and Evaluation, DBE) for providing ongoing support during these discussions. The team highly appreciates the engaging and fruitful discussions and guidance received from officials during the advisory committee meetings, particularly Julia de Bruyn, Mark Blecher, and Spencer Janari from the National Treasury; Mastoera Sadan and Josephilda Hlophe from the DPME; and Lesley Bamford from the Department of Health. The team is grateful to the National Treasury for sharing data, particularly, to Shaneel Ragoo for consolidating detailed financial data from the Basic Accounting System used for this review.

The team is grateful to several development partners, agencies, Non-Governmental Organisations (NGOs), think-tanks, key technical stakeholders and national and provincial sector departments that were consulted through key informant interviews during the PEIR process. This includes individuals from national sector departments (education, health, social development, and local government), provincial sector departments from KwaZulu Natal, Limpopo and Western Cape

provinces, and technical and development partners including the Hollard Foundation, Ilifa Labantwana, Impande, Innovation Edge, the Lego Foundation, the Motheo Institution Trust, the Nelson Mandela Foundation, the Project Preparation Trust, SmartStart and United Nations Children's Fund (UNICEF).

The team appreciates the insightful feedback received from peer reviewers Fadila Caillaud (Lead Economist, World Bank), Toby Linden (Lead Education Specialist, World Bank) and Norbert Schady (Chief Economist, World Bank). Sincere gratitude goes to Mastoera Sadan (DPME) and Sonja Giese (Innovation Edge) who also served as peer reviewers and provided invaluable feedback on the draft report.

This study was conducted with guidance and support from the World Bank's Country Director for South Africa, Marie-Francoise Marie-Nelly; the Operations Manager for South Africa, Asmeen Khan, and the Practice Manager for Education for South Africa, Muna Salih Meky. The team also benefited from inputs and suggestions from the following World Bank Group colleagues: Benedicte Baduel, Victoria Monchuk, Kajali Paintal Goswami, Dumisani Sihle Ngwenya and Joanna Watkins.

Executive summary

Investments in early childhood development (ECD) offer a remarkable return for individuals and societies, including better health outcomes, reduced repetition and drop-out, and increased achievement in school. The cognitive and socio-emotional skills children develop in their early years are critical to success in the workplace and in life. The benefits of early investments are more pronounced for children from poor households and have the potential to stop the intergenerational transmission of poverty. The long-term benefits of investing in ECD include reduced involvement in crime, increased employment and productivity, better health and increased equality, all of which promote economic growth and reduce the burden on government systems.

Despite some progress in recent years, too many children in South Africa do not have access to quality ECD services. There is a clear pattern of inequity in ECD in South Africa, both in terms of access to services and child outcomes. For example, children from the poorest quintile of households are almost three times as likely to be stunted as those in the richest quintile of households, and there is a 30-percentage point difference in enrolment in ECD programmes between children from the richest and poorest quintiles of households.

Compared to other actual and aspiring Upper Middle-Income Countries (UMICs), South Africa performs well on some key indicators (birth registration, access to basic drinking water and pre-primary enrolment). In contrast, adolescent fertility, under-five mortality, and learning poverty levels are very high (see Table 1). A staggering 80 percent of children in South Africa cannot read for meaning by age 10– this is far higher than the learning poverty rates in countries like Vietnam (20 percent) or Sri Lanka (15 percent). The under-five stunting rate in South Africa is more than double the average for UMICs, and higher than all comparator countries except Nigeria. South Africa's female labour force participation, at 53 percent, is close to the UMIC average and neighbouring countries but still well below Peru, Thailand and Vietnam.

Table 1 International comparison of selected ECD indicators

		South Africa	Regional comparators			Selected actual & aspiring UMICs				UMIC average (50+ countries)
			Kenya	Namibia	Nigeria	Peru	Sri Lanka	Thailand	Vietnam	
1	Under-5 mortality rate (2016-2020)	32/1,000	42/1,000	40/1,000	117/1,000	13/1,000	7/1,000	9/1,000	21/1,000	18/1,000
2	Under-5 prevalence of stunting (2013-2020)	27%	19%	18%	35%	11%	16%	12%	22%	11%
3	Under-5 birth registration completeness (2013-19)	89%	67%	78%	43%	98%	97%	100%	96%	-
4	Access to basic drinking water (2020)	94%	62%	84%	78%	93%	92%	100%	97%	96%
5	Pre-primary ANER one year before primary school (2012-2019)	97%	90%	90%	61%	96%	42%	98%	95%	-
6	Learning poverty at end of primary (2015-19)	80%	-	-	-	60%	15%	-	20%	-
7	Adolescent fertility rate (2019)	71/1,000	73/1,000	60/1,000	104/1,000	55/1,000	20/1,000	44/1,000	27/1,000	29/1,000
8	Female labour force participation (15-64 years) (2018-2019)	53%	64%	57%	53%	73%	39%	67%	72%	57%

Source: 1 UN Inter-agency Group for Child Mortality Estimation 2022; 2 UNICEF, WHO, World Bank JME; 3 UNICEF SOWC 2021; 4 World Bank Open Data; 5 UNICEF Global database on Adjusted Net Attendance Rate 2022; 6 World Bank EdStats 2022; 7 World Bank Open Data; 8 International Labour Organization, ILOSTAT database 2022. Note: 1) Learning poverty level = proportion of children age ten who are not in school (schooling deprived) or are below the minimum reading proficiency level (learning deprived).

A Public Expenditure and Institutional Review focused on ECD

The Department of Basic Education (DBE) has partnered with the World Bank and the National Treasury to conduct this Public Expenditure and Institutional Review to examine current expenditure and generate options to expand access and raise the quality of ECD services. The review also identifies how the institutional structures for coordinating, managing, monitoring and delivering ECD services can be strengthened. This work presents new analysis building on the extensive data publicly available in South Africa as well as existing national research and international evidence, complemented by interviews with key informants.

The review was guided by the following research questions:

- What are the **main challenges to child development** in South Africa?
- What are the institutional arrangements to deliver ECD services? What are the **key institutional areas to be strengthened** to support the expansion and improvement of ECD services?
- What are the public expenditure patterns for the examined interventions? How easy is it to measure this expenditure? **Is expenditure adequate** to achieve the desired outcomes?
- How **equitable is public expenditure** on services to promote child development in terms of child age, socio-economic background and geographic location?
- Is **public expenditure efficient** in terms of allocation between different needs related to child development? Is expenditure aligned with priority outcomes to be achieved?
- How **could public expenditure be adjusted in terms of adequacy, efficiency, and equity** to expand and improve services to promote child development?

The conceptual framework underpinning the review identifies 25 interventions that are critical for a child's healthy growth and development, beginning from pregnancy through to the transition to primary school (Denboba et al., 2014). For the purposes of this review, the focus is on interventions in the framework that are among those most likely to contribute to two priority ECD outcomes: reduced malnutrition in the early years and improved early learning. The review groups these interventions into three 'buckets': (i) **early learning interventions** (ECD programmes and pre-primary programmes); (ii) **family support interventions** (social assistance transfer programmes targeted to children; caregiver education about early stimulation, growth and development; and childcare and child protection services); and (iii) **early nutrition interventions** (complementary feeding; adequate, nutritious and safe diet; and micronutrient supplementation and fortification). While other interventions in this framework also contribute to reduced malnutrition and improved early learning, they are not examined because of the review's scope and data limitations. The key group of interest for this review is children ages 0-5. However, for early learning, interventions aimed at children aged 6 are also covered to capture the transition from pre-grade R programmes to school through grade R.

Key findings from the review

Currently, total expenditure on the three buckets of interventions included in this review stands at R36.1 billion (see Table 2)[1]. This is equivalent to 1.7 percent of total public expenditure or 0.6 percent of GDP.

Table 2 Total expenditure per intervention bucket 2021/22

Expenditure (constant 2021/22 prices)			
Early learning	Family support	Early nutrition	Total
R9.5 billion	R26.1billion	R0.5 billion	**R36.1 billion**

Source: PEIR team.

Early learning interventions

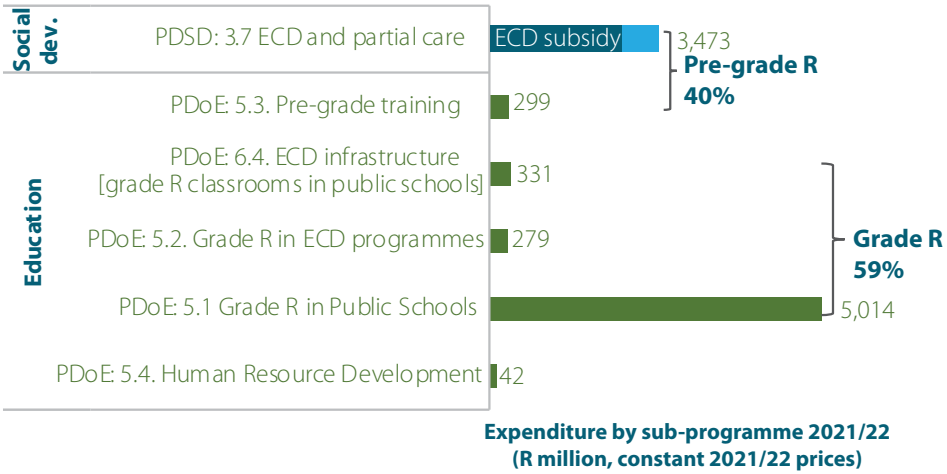
Expenditure on early learning is split into two categories: (i) grade R, which is one year of pre-primary education for children who are 5 years old, offered through an estimated 17,500 ordinary public and independent schools; and (ii) pre-grade R early learning interventions (known as "ECD programmes") which target children below age 5 and are offered through an estimated 42,500 private providers in ECD centres, crèches and nurseries (some of which also offer grade R).

Total expenditure on these two early learning interventions stood at R9.5 billion in 2021/22 (see Figure 1), which was equivalent to 0.5 percent of total public expenditure and to 0.15 percent of GDP. Expenditure on grade R accounted for 59 percent of this total amount, compared to 40 percent of expenditure on children below grade R age (Figure 1). For the latter group, expenditure was dominated by the ECD subsidy[2] with R2.8 billion channelled to providers serving children from poor households. The much larger expenditure on grade R compared to ECD programmes is mainly driven by the large difference in the average cost of grade R educators compared to ECD practitioners. The average annual cost of ECD practitioners is estimated at R31,000 (0.3 times GDP per capita), which is five times less than that of grade R educators estimated at roughly R165,000 (1.6 times GDP per capita) and close to the national minimum wage.

1 Some interventions serve to improve both nutrition and early learning; to avoid double counting, each intervention was assigned to the 'bucket' deemed most relevant.

2 The ECD subsidy is provided on a per-child per-day basis to children in registered ECD programmes. For a child to qualify for the subsidy (increased to R17 per-child per-day in 2021) registered ECD providers need to demonstrate that the child meets the requirements of an income means test whereby the joint income of the child's household members is less than a certain threshold. Although means-testing is linked to the child, subsidies are directed at providers.

Figure 1 Expenditure on the early learning interventions by sub-programme 2021/22



Source: National Treasury (ENE of 2021 and Excel EPRE file published 2021).
Note: 1) R91 million of nationally administered expenditure under DSD programme 4 Children not shown here for simplicity's sake.

The ECD subsidy amount of R17 per-child per-day (for 264 days per year) is inadequate to cover programme operating costs, which some recent costing work estimate at a minimum of R31 per-child per-day. Provinces report insufficient budget to reach all children eligible for the subsidy. Technically, all children who are eligible for the Child Support Grant (CSG) should also qualify for the ECD subsidy. In 2019/20, however, an estimated 1.6 million children ages 4 and 5 received the CSG but only about 627,000 children in the age range 0 to 5[3] received the ECD subsidy. This means that, at most, only 40 percent of eligible children ages 4 and 5 received the subsidy. In the face of inadequate resources, provinces 'ration' the subsidy in different ways, with some provinces covering a certain number or proportion of eligible children, while others reduce the daily rate or fund fewer days per child. Due to this inadequate funding, most programmes charge families private fees. Families were paying about R1,400 per year on average in private fees for each subsidised child, compared to an average of R11,200 for each unsubsidised child in 2019. These private fees pose a major barrier for children from poor households; the poorest 40 percent of households paying an estimated R280 per month on average, equivalent to 48 percent of the monthly food poverty line per person. Total national household expenditure to attend ECD programmes is estimated at around R14 billion (of which R3.7 billion is spent by the poorest 60 percent of households), compared to total public expenditure of roughly R2.8 billion on the ECD subsidy.

To improve equity, the Government introduced the ECD conditional grant in 2017/18, with the aim to allow provinces to subsidise a larger number of children from poor households While

3 Data on the number of ECD subsidy recipients is not available by single age.

the introduction of the ECD conditional grant in 2017/18 did coincide with a real increase in expenditure on ECD programmes, there has not been a concurrent statistically significant increase in enrolment in such programmes nationwide. This points to two potential issues. First, it is possible that some provinces substituted their equitable share funding directed to ECD programmes with conditional grant funding. Second, increased public funding on the ECD subsidy may have displaced private fee expenditure, which would be desirable if the beneficiaries were from low-income households. The overall message is that more public funding will not automatically result in proportionally higher levels of ECD participation at the national level, suggesting the need for careful design and execution.

There are substantial inefficiencies in the registration system for ECD programmes and the application process for the ECD subsidy. The ECD programme registration requirements are not well understood and differ across provinces; these processes require multiple documents and engaging with stakeholders from multiple departments across a three-tiered governance system. These bureaucratic and time-consuming processes preclude service providers from accessing the ECD subsidy and disincentivises the establishment of new ECD programmes. Even once registered, providers claim the subsidy monthly based on child attendance and expenditure receipts, which leads to potentially inconsistent monthly funding. This is problematic given programme fixed costs of rent and staff.

The quality of ECD programmes requires improvement to yield better child outcomes. The combination of low and irregular expenditure on in-service training and development for ECD practitioners as well as low average practitioner wages, contributes to high turnover and a lack of continuity in ECD programmes which adversely impacts the quality of services delivered. Though the large majority of ECD programmes are housed in conventional buildings, there are programmes in informal housing/shacks or shipping containers, suggesting infrastructure upgrades are needed in some under-served areas.

The approach to quality assurance of ECD programmes has, to date, largely been focused on monitoring compliance with standards, for example, child-staff ratios and financial reporting, rather than aspects of quality such as staff-child and child-child interactions, conditions of employment for ECD practitioners or programme engagement with parents. The DBE is currently working to develop a Quality Assurance and Support System (QASS) with DSD in partnership with Ilifa Labantwana, which examines many of these aspects.

Family support interventions

The examined family support interventions include the Child Support Grant (CSG), the Care Dependency Grant (CDG) and the Foster Child Grant (FCG).[4] In 2021/22, expenditure on the CSG for ages 0-5 stood at R23.7 billion (4.2 million beneficiaries), at R466 million for the CDG (19,115 beneficiaries) and R160 million for the FCG (11,394 beneficiaries) (see Table 3). Total

4 Only one of the three child grants can be received per child.

expenditure under the four PDSD sub-programmes targeting child protection and family support services was only about R1.7 billion in 2021/22, despite the urgent need to expand care and protection services for young children. These family support interventions, in particular the child grants, received substantially more funding in 2021/22 than the early learning and nutrition interventions, equivalent to 1.3 percent of total public expenditure and to 0.4 percent of GDP.

Table 3 Expenditure on the family support interventions by sub-programme 2021/22

R million	2021/22
National Department of Social Development	
Foster child	160
Care dependency	466
Child support	23,746
Total national department of social development	24,371
Provincial social development departments: programme 3 'Children and families'	
3.2 Care and services to families	221
3.3 Childcare and child protection	755
3.5 Child and youth care centres	533
3.6 Community-based services for children	213
Total provincial social development departments	1,722
Grand total	**26,093**

Source: National Treasury (ENE of 2021 and Excel EPRE file published 2021); SASSA Statistical Report: Payment system of March 2021.

Note: 1) Expenditure on the three child grants reflects expenditure directed to children ages 0-5, using SASSA beneficiary numbers for disaggregation. 2) For the PDSD sub-programmes the share likely to flow to children ages 0-5 is estimated as number of children ages 0-5 over the number of children ages 0-18 using Statistics SA MYPE data (32.5%).

Coverage of the CSG, which accounts for most of the expenditure on the three child grants, is overall high. However, delays in initial receipt of the grant restricts families' ability to provide adequate nutrition during the critical first year of a child's life. In 2019, the coverage of the CSG at age 0 as a proportion of average coverage at ages 1-3 stood at 82 percent, declining to 74 percent in 2021 during the COVID-19 pandemic. This means that many families with infants who are most at risk of poor nutritional outcomes are not able to access the CSG. The substantial amount of documentation required for the grant application as well as the need to submit it in-person at a SASSA office after a child is born impacts access to the grant in the first months of the child's life.

There is still room for improved targeting of the CSG. In 2019, an estimated 74 percent of the poorest children accessed the grant, with notable differences across provinces. In Gauteng an estimated 67 percent of children among the poorest 40 percent accessed the grant, followed by 76 percent in Western Cape and 80 percent in North West, compared to 87 percent in the remaining six provinces. Given the eligibility criteria, one would expect the CSG coverage for

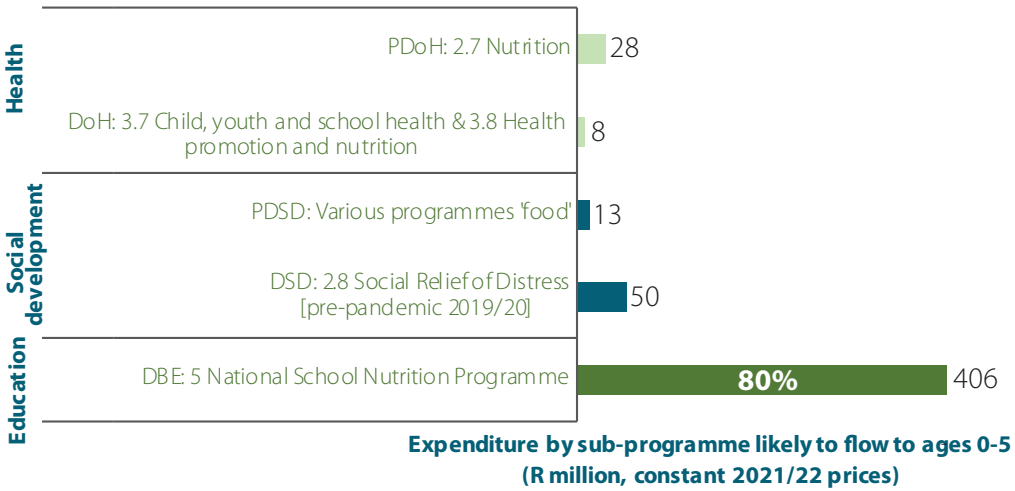
households with monthly expenditure above R10,000 to be zero but it is around 20 percent. Addressing these errors of exclusion and inclusion would benefit the children most at risk and improve the efficiency of expenditure.

The amount of the CSG is inadequate to cover a basic per child food cost. In 2021, the grant amount of R460 (raised to R480 from April 2022) came to only 74 percent of the per capita food cost (R624) used for Statistics South Africa's food poverty line. This means households cannot rely on the CSG to meet their young children's nutritional needs, even if they were to spend it all on food.

Early nutrition interventions

Expenditure on the examined nutrition interventions aimed at young children outside the early learning and family support interventions is extremely low. In 2021/22, estimated total expenditure on the examined early nutrition interventions for children ages 0-5 was only R505 million (see Figure 2), corresponding to a mere 0.02 percent of total public expenditure and 0.01 percent of GDP. This is a rough picture, as details on expenditure both within the examined budget lines, and elsewhere, devoted to the nutrition of young children are scarce. What appears certain, however, is that expenditure on nutrition for young children outside the early learning and family support interventions, is tiny and fragmented.

Figure 2 Expenditure on early nutrition interventions by sub-programme 2021/22



Source: National Treasury (ENE of 2021 and Excel EPRE file published 2021).

The bulk of expenditure on the examined early nutrition interventions, around R400 million, went to the National School Nutrition Programme (NSNP) in 2021/22, which is administered through DBE (see Figure 2) and most of this was directed to children in grade R in public schools. This programme does not benefit younger children who have not entered school yet, or even

children who are enrolled in grade R in private ECD programmes. Current nutrition expenditure favours older children, despite the evidence that nutrition interventions during the first 1,000 days have the highest expected return both for individual children and society.

In budgetary terms, the Social Relief of Distress (SRD) grant was the second largest at R50 million in the year before the COVID-19 pandemic[5]. This grant's purpose is to provide 'temporary income support, food parcels and other forms of relief to people experiencing undue hardship'. There were also various strands of social development expenditure on food in provinces that amounted to around R13 million. The provincial departments of health 'Nutrition' sub-programme has as its purpose to provide 'a nutrition service aimed at specific target groups and combining direct and indirect nutrition interventions to address malnutrition'[6]. Expenditure on this sub-programme for children ages 0-5 stood at R28 million in 2021/22, while national DoH spent R8 million on child, youth and school health and health promotion and nutrition.

Reporting by provincial departments of health (PDoHs) on nutrition interventions and outcomes for young children is patchy at best. This reporting gap makes it difficult to monitor whether appropriate interventions are being implemented at sufficient scale, and whether interventions are achieving their goals. It also makes it hard to ensure efficient allocation of resources in the budgeting and planning processes where difficult trade-offs continuously need to be made given the resource constrained environment.

In 2017, the South African Presidency released what can be considered South Africa's first major plan aimed at aligning work on food and nutrition security across the various relevant sectors, the *National Food and Nutrition Security Plan for South Africa: 2018-2023*, which included the creation of a multi-sectoral Food and Nutrition Security Council. The Council has yet to be established and nutrition interventions remain fragmented and uncoordinated across multiple departments, rather than addressed holistically.

Institutional arrangements to deliver ECD services

The existing multi-sectoral structures for leading and coordinating the ECD sector require strengthening. The various structures created to coordinate the ECD sector that were set out in the 2015 National Integrated Early Childhood Development (NIECD) Policy are not currently functioning robustly or serving their intended functions. National coordination structures need to be replicated to some extent across provincial and local governments to support planning, coordination and monitoring of ECD services.

The linkages between planning, budgeting and ECD outcomes are weak. Annual performance plans (APPs) and annual reports of national and provincial departments represent an important nexus for improving planning and accountability, but they often omit key interventions and indicators required to measure performance against these outcomes. For example, PDoHs are

5 This amount is 11.4% of total SRD expenditure, which is the proportion of the population ages 0-5.
6 Standard text across the EPREs of several provinces, for instance, Gauteng.

not reporting consistently on essential nutrition interventions for young children as discussed earlier. Moreover, APPs and annual reports do not allow for easy comparison over time or across provinces, and it is common for departments to make plans available online only a few years after they have been approved. A broader issue with departmental APPs and annual reports is that they tend to focus extensively on populating standard tables with expenditure values and non-financial indicator values, but very little on matters such as unit costs, purchasing power trends within budget programmes, balancing of non-staff and staff inputs, and the relationship between expenditure patterns and service delivery outcomes.

There is no holistic approach to budgeting for child development across key departments and key interventions; this results in inadequate funding levels and disparate funding flows, particularly for areas which span multiple departments, such as nutrition which spans across the education, health and social development sectors.

Options to improve the priority ECD outcomes

A substantial increase in funding for the ECD system is required if the Government's goals of reduced malnutrition in the early years and improved early learning are to be achieved. New investments in ECD should focus on a set of key interventions with the highest expected returns, sequenced to ensure fiscal affordability, and target additional funding to disadvantaged children.

Options to improve the priority ECD outcomes based on the findings of this review are discussed below[7]. These are the options expected to yield the largest impacts in terms of improved ECD service access, quality and outcomes over the next few years. The indicative cost of implementing the options (not all costed) is R11.3 billion annually after the first year (see Table 4). This compares to an estimated annual potential cost saving of reducing child malnutrition in South Africa of R62 billion (Jamieson and Richter, 2017), in addition to further potential cost savings stemming from improved early learning levels.

7 See Chapter 10 for how the indicative costs were calculated. For some interventions no indicative cost is provided as it would be necessary to undertake further work (for example: a capacity needs assessment of ECD practitioners to estimate the cost of providing training.

Table 4 Summary of options and selected indicative costs

First phase (1-2 years)	Second phase (3-4 years)
IMPROVED EARLY LEARNING	
Improving access to early learning services	
Option A1: Streamline the processes for ECD programme registration and subsidy application **Indicative cost:** Within existing budget.	**Option A2:** Provide more access to infrastructure grants for private providers of ECD programmes. **Indicative cost:** Not costed.
	Option A3: Provide provinces with sufficient funds to provide subsidies for all children attending ECD programmes who meet the eligibility criteria while returning the subsidy amount to its 2015 purchasing parity. **Indicative cost:** Additional R6.8 billion per year.
Improving the quality of early learning services	
Option A4: Conduct a capacity needs assessment for DBE and provincial departments of education and recruit and train staff as required in light of the ECD function shift. **Indicative cost:** Not costed.	**Option A7:** Train ECD practitioners to follow effective practices. **Indicative cost:** Not costed.
Option A5. Measure child development outcomes regularly. **Indicative cost:** Not costed.	**Option A8:** Improve the attractiveness of a career as an ECD practitioner through higher remuneration. **Indicative cost:** Additional R820 million per year.
Option A6: Establish a system to assure the quality of ECD programmes that is focused on supporting and incentivising providers to improve quality **Indicative cost:** Not costed.	
REDUCED MALNUTRITION IN THE EARLY YEARS	
Option B1: Allow women to apply for the child support grant (CSG) while they are pregnant. **Indicative cost:** Additional R1.1 billion per year.	**Option B3:** Raise the CSG amount for children ages 0-24 months from its current level to cover a basic per child food cost. **Indicative cost:** Additional R2.57 billion per year.
Option B2: Link the provision of the CSG with information and support for better nutrition and stimulation of young children. **Indicative cost:** Not costed.	
STRENGTHENED INSTITUTIONAL ARRANGEMENTS TO SUPPORT ECD SERVICE DELIVERY	
Option C1: Revive and strengthen existing coordinating structures in the ECD sector with support from higher levels **Indicative cost:** Within existing budget.	**Option C2:** Strengthen linkages and work towards holistic planning, budgeting and implementation to achieve ECD outcomes and allocate funding adequately and efficiently **Indicative cost:** Within existing budget.
Total additional annual cost	
R1.1 billion + costs to be established for A4, A5, A6 and B2	R10.2 billion + costs to be established for A2 and A7

Source: PEIR team.

A. Improved early learning

Improving access to early learning services will require three priority actions:

A1. Streamline the processes for ECD programme registration and subsidy application (within existing budget). The forthcoming Second Children's Amendment Bill should streamline the onerous processes relating to the two separate forms of registration (as an ECD programme and as a partial care provider) and abolish the requirement for NPO registration to be eligible to apply for the subsidy. Municipal bylaws may also need to be amended with agreement and coordination between national, provincial and municipal governments on the regulations or bylaws that should apply for ECD programmes. The current required re-registration every five years could be abolished if a more robust quality assurance system is built (see below). It would also be important to standardise the eligibility criteria for accessing the ECD subsidy, which are currently only loosely specified in the 2015 NIECD policy.

A2. Provide more access to infrastructure grants for private providers of ECD programmes (not costed). One of the reasons ECD programmes remain unregistered is that they do not meet the infrastructure standards in the ECD registration framework. With the transfer of ECD responsibilities to DBE, there is an opportunity to increase funding for ECD infrastructure through the Education Infrastructure Grant (EIG), which is a provincial grant used by PDoEs for school construction. Of critical importance will be: (a) to establish construction norms and standards for ECD programmes; (b) to ensure all providers are aware they can access the funds if they are serving poor communities; and (c) to ensure the procurement process for small construction is not overly cumbersome and where capacity exists, management of the construction is decentralised to the community level.

A3. Provide provinces with sufficient funds to provide subsidies for all children attending ECD programmes who meet the eligibility criteria while returning the subsidy amount to its 2015 purchasing parity (additional R6.8 billion per year). Currently an estimated 1.1 million children enrolled in ECD programmes who are eligible for the subsidy are not receiving it. Moreover, past increases in the subsidy amount (currently R17 per-child per-day) have not compensated for the effect of inflation; increasing the subsidy to R21 per-child per-day would bring it to its real value in 2015. It should be noted, though, that even after such an increase, this amount would still not cover the estimated minimum cost of operating a programme of R31 per-child per-day. Expansion of the number of ECD programmes through increased subsidy funding would also serve to create jobs in the informal sector, benefitting mainly low-skilled women.

Improving the quality of early learning services will require five priority actions:

A4. Conduct a capacity needs assessment for DBE and provincial departments of education and recruit and train staff as required in light of the ECD function shift (not costed). Given the new mandate of DBE and PDoEs for coordinating ECD services, an

assessment of required versus existing roles and skills in these departments to coordinate and support service delivery will be essential. Once staff capacity needs are identified, there will be a need for training and support as well as some hiring of new staff. While this will require additional funding for training and new staff, having adequate capacity to deliver is a pre-requisite for success of the other options.

A5. Measure child development outcomes regularly (not costed). The Thrive by Five Index Survey launched in April 2022 provides nationally representative data on early learning and physical growth outcomes for children 50-59 months attending ECD programmes, and this should be made a regular exercise. It would also be important to extend the measurement of child development outcomes to children not attending an ECD programmes and to children who are younger in order to monitor progress on a regular basis. This would likely require adding a module to collect the required data as part of an existing household survey such as the South Africa Demographic and Health Survey or every two rounds of the annual General Household Survey for more frequent measurement.

A6. Establish a system to assure the quality of ECD programmes that is focused on supporting and incentivising providers to improve quality (not costed). Data on the quality of services provided by ECD programmes, is essential to monitor and improve quality but is currently not collected at regular intervals or in enough detail. DBE has begun the design of a new management information system (MIS) for ECD programmes, with lessons being drawn from the 2021 ECD Census. This work should include selecting and standardising key indicators for ECD programme quality across provinces; regularly collecting data on the standardised indicators; and making these indicators and underlying data publicly available.

A quality assurance system is more than an MIS and to improve ECD programme quality assurance there are additional issues to consider moving forward, including shifting monitoring from compliance to an ability to monitor and support improvements in process quality; supporting providers with tools they can use to strengthen their quality and receive support and report remotely; providing parents with information on programme quality; and building effective mechanisms to engage and coordinate with NGOs that can support quality improvements. Regardless of the design of the quality assurance system, all providers should receive guidance and a pathway to quality improvement once they have registered.

A7. Train ECD practitioners to follow effective practices (not costed). With the current qualification requirements (NQF levels 4 and 5), the amount of time required to train ECD practitioners will be too long due to constrained financing, training facilities, and because it is difficult for ECD practitioners to be absent for substantial periods for training. A more practical, and effective option followed in several countries would be to conduct a needs assessment of practitioners followed by the development of a shorter, entry-level national qualification that is subsidised and widely rolled out through accredited training providers.

A8. Improve the attractiveness of a career as an ECD practitioner through higher remuneration (additional R820 million per year). ECD practitioners often have low levels of formal education, and most are poorly paid, earning close to the minimum wage. Insecure funding flows exacerbate providers' financial insecurity. This makes it difficult to retain better trained and more experienced staff. As ECD practitioners become professionalised, this should result in more generous ECD programme subsidy amounts so that practitioners can be paid a competitive salary to help improve retention and raise the quality of services provided. Monitoring efforts can be used to ensure that increases in the subsidy amount intended to improve quality and capacity of practitioners achieve the intended purpose.

B. Reduced malnutrition in the early years

B1. Allow women to apply for the child support grant (CSG) while they are pregnant (additional R1.1 billion per year). Delays in the receipt of the CSG are largely attributed to the amount of time it takes to collate and submit all the necessary documentation, including a birth certificate, to apply for the grant after a child is born. A potential solution is to allow parents to apply for the CSG when the expecting mother is in her second trimester. The application could be processed during the pregnancy and the approval from SASSA could be conditional on the provision of the birth certificate. This would also necessitate further improvements in the speed at which birth certificates are issued. Health workers should be encouraged to provide information on the CSG to eligible expecting mothers during antenatal care visits, and the CSG application form could be made available at all health facilities.

B2. Link the provision of the CSG with information and support for better nutrition and stimulation of young children (not costed). This could involve regular home visits by trained Community Health Workers (CHWs) to CSG beneficiaries, or group meetings with community facilitators to talk with new parents about hygiene, nutrition and early stimulation for children through games, play and storytelling. This approach would require better integration and coordination of services between the social development and health sectors working through CHWs and social workers. One way to help achieve this level of coordination is to have joint reporting of intervention implementation as well as outcomes within APPs and annual reports related to nutrition services. There are also opportunities for disseminating information on ECD during in-person applications at SASSA offices.

B3. Raise the CSG amount for children ages 0-24 months from its current level to cover a basic per child food cost (additional R2.57 billion per year). There is a compelling argument for raising the CSG amount from its current level of R480 per month to a basic per child food cost of R624 per month for children ages 0-24 months as nutrition has its biggest impact on developmental outcomes during this period, and because improved nutrition at this stage has one of the highest expected rates of return among the different types of ECD investments. Yet, raising the amount of the grant will not be easy unless the economic outlook in South Africa improves, however, favourable demographic trends could reduce the cost of doing so.

C. Strengthened institutional arrangements to support ECD service delivery

C1. Revive and strengthen existing coordination structures in the ECD sector with support from higher levels. A key first step would involve reviving the existing Inter-Ministerial Committee for ECD to strengthen policy direction in the system, given that the structure already exists but has not been functional. In light of the constraints facing DBE, it may need to focus on what it can do most effectively given its comparative advantage, and the challenges it has the capacity and capability to solve in the short- to medium-term, while consensus is built around effective approaches to improve cross-sectoral coordination and a more cohesive vision for ECD.

There are several approaches that could be adopted to strengthen coordination across departments and spheres of government. First, a higher-level structure could serve as the institutional anchor – mandated to lead ECD planning and coordination. This could be the Department of Planning, Monitoring and Evaluation (DPME) a unit within the Office of the Presidency (and the Premier's Office in provinces), or an executive committee comprising the three core departments (education, health and social development), which could provide high-level visibility and political thrust for ECD services, as well as reducing bias toward specific sectors. Second, DBE could remain the institutional anchor for overall coordination but be empowered by a higher-level structure within the Presidency – similar to the structures established to deal with the HIV/AIDS crisis in South Africa. Third, the proposal in the NIECD Policy of establishing an ECD agency could be reconsidered, but this is unlikely to transpire in the face of fiscal constraints. Regardless of the approach adopted, it is essential that the designated lead for coordinating ECD services has a clear mandate, political authority and adequate resources.

C2. Strengthen linkages and work towards holistic planning, budgeting and implementation to achieve ECD outcomes and allocate funding adequately and efficiently. Holistic planning needs to be instituted to ensure that outcomes are achieved collectively, with relevant departments held accountable for implementing necessary programmes through measurement and reporting of standardised indicators on key outcomes and implementation. The annual budgets for each responsible department could be assigned based on achievement of relevant ECD outcomes in the previous year. APPs and annual reports should clearly show the links between expenditure, implementation and outcomes. These processes would require strong leadership and regular dialogue across the main departments to ensure key budget gaps are addressed, and complementarities are explored to achieve the largest possible improvements in ECD outcomes for any given expenditure. If a department can demonstrate that it has spent allocated funding on a particular intervention to improve child development and there is improvement, it could receive top-up financing in the next financial year.

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Acronyms

ACE	Adverse Childhood Experiences
APP	Annual Performance Plan
ARs	Annual Reports
ATM	Automated teller machine
B. Ed.	Bachelor of Education degree
BAS	Basic Accounting System
BCG	Bacille Calmette-Guerin
BELA	Basic Education Laws Amendment
CDG	Care Dependency Grant
ChCC	Chile Crece Contigo
CHWs	Community Health Workers
CNDN	National Council of Nutrition Development
COGTA	Cooperative Governance and Traditional Affairs
CPI	Consumer Price Index
CS	Community Survey
CSG	Child Support Grant
CSI	Corporate Social Investment
DBE	Department of Basic Education
DDM	District Development Model
DHIS	District Health Information System
DHS	Demographic and Health Survey
DoH	Department of Health
DORA	Division of Revenue Act
DPME	Department of Planning, Monitoring and Evaluation
DPWI	Department of Public Works and Infrastructure
DSD	Department of Social Development
DTAP	Diphtheria, Tetanus, and Pertussis
ECCE	Early Childhood Children Education
ECD	Early Childhood Development
EHPs	Environmental and Health Practitioners
EIG	Education Infrastructure Grant
ELOM	Early Learning Outcome Measure
ELRU	Early Learning Resources Unit
EMIS	Education Management Information System
ENE	Estimates of National Expenditure
EPAG	Empowerment of Adolescent Girls and Young Women

EPRE	Estimates of Provincial Revenue and Expenditure
EPWP	Expanded Public Works Programme
EQPRS	Electronic Quarterly Performance Reporting System
ESRF	Employment Stimulus Relief Fund
FFC	Financial and Fiscal Commission
FNSC	Food and Nutrition Security Council
FCG	Foster Child Grant
GDP	Gross Domestic Product
GHS	General Household Survey
GTAC	Government Technical Advisory Centre
HCBS	Home and Community-Based Care
HIV	Human Immunodeficiency Virus
HR	Human Resources
ICDG	Integrated City Development Grant
ID	Identity
IDC	Inter-Departmental Committee
IDP	Integrated Development Plan
IGF	Inter-Governmental Forum
IMC	Inter-Ministerial Committee
ISF	Inter-Sectoral Forum
LCS	Living Conditions Survey
MECs	Members of the Executive Committee
MIG	Municipal Infrastructure Grant
MNCH	Maternal, New-born and Child Health
MPPDSD	Mpumalanga Province Department of Social Development
MSD	Ministry of Social Development
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MYPE	Mid-Year Update of Population Estimates
NAEYC	National Association for the Education of Young Children
NCP	National Council of Provinces
NDP	National Development Plan
NGOs	Non-Governmental Organizations
NICHD	National Institute of Child Health and Human Development.
NIECD	National Integrated Early Childhood Development Policy
NPC	National Planning Commission
NPO	Not-for-Profit Organization
NQF	National Qualifications Framework
NSNP	National School Nutrition Programme

NSQF	National Skills Qualification Framework
OPG	Older Persons Grant
OPV	Oral Polio Vaccine
OTs	Outreach Teams
PCM	Presidential Council of Ministers
PDOEs	Provincial Departments of Education
PDoHs	Provincial Departments of Health
PDSD	Province Department of Social Development
PEIR	Public Expenditure and Institutional Review
PEJDG	Pietermaritzburg Economic Justice and Dignity
PGCE	Postgraduate Certificate in Education
PHCs	Primary healthcare centres
PPT	Project Preparation Trust
RESEP	Research on Socioeconomic Policy
RSA	Republic of South Africa
SA-SAMS	School Administration and Management System
SACE	South African Council for Educators
SAM	Severe Acute Malnutrition
SASSA	South African Social Security Agency
SETAs	Sector Education and Training Authority
SIMO	Skill India Mission Operation
SLA	Service Level Agreement
SPARK	Singapore Preschool Accreditation Framework
SRD	Social Relief of Distress
Stats SA	Statistics South Africa
TAA	Tribal Authority Areas
TB	Tuberculosis
TVET	Technical Vocational Education and Training
UIF	Unemployment Insurance Fund
UK	United Kingdom
UMICs	Upper- Middle-Income Countries
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
USSD	Unstructured Supplementary Service Data
VIP	Ventilated Improved Pit
WASH	Water, Sanitation and Hygiene
WBPHCOT	Ward-Based Primary Health Care Outreach Team
WHO	World Health Organisation

1. Introduction

South Africa's *National Development Plan 2030* considers the improvement of early childhood development (ECD) outcomes essential to raising educational outcomes and bettering the life prospects of coming generations (RSA, 2012). This is reflected in the *National Integrated Early Childhood Development Policy 2015* which recognises that having a comprehensive package of age-appropriate, quality services that contribute to ensuring infants and young children are healthy through good nutrition and food security; have opportunities for early learning, development and play; and are protected from violence and abuse, is crucial. The Policy's goal is to have an integrated "quality ECD programme for all infants and young children and their caregivers" by 2030 (RSA, 2015: 49).

Despite major progress over the last decade, big challenges remain in South Africa in terms of under-provision and the quality of services to promote child development during the early years, with vulnerable children being at the greatest disadvantage. The main purpose of this public expenditure and institutional review (PEIR) is to provide evidence-based options for how to expand and raise the quality of early childhood development (ECD) services through increased and improved public expenditure for areas with the largest expected benefits to individuals as well as the country, combined with institutional strengthening in key areas.

Two key ECD outcomes underpin this review based on existing government priorities: **reduced malnutrition in the early years** and **improved early learning**, supported **by strengthened institutional arrangements for ECD service delivery**. The review examines expenditure and institutional arrangements for critical ECD interventions across three areas – **early learning, family support** and **early nutrition** – which contribute to achieving the priority outcomes. Although interventions in all three areas are essential to improve child development in the early years, there is a greater emphasis on early learning throughout this review because the Government shifted the ECD function from the Department of Social Development (DSD) to the Department of Basic Education (DBE) on April 1, 2022.

The review was guided by the following research questions developed with the National Multi-Sectoral Advisory Committee established under the PEIR. These cover the key elements of a 'standard' public expenditure review (World Bank, 2017), except whether the public financial management system promotes financial accountability, which was considered beyond the review's scope.

- What are the **main challenges to child development in South Africa**?
- What are the institutional arrangements to deliver ECD services? **What are the key institutional areas to be strengthened** to support the expansion and improvement of ECD services?
- What are the public expenditure patterns for the examined ECD interventions? How

easy is it to measure this expenditure? **Is expenditure adequate** to achieve the desired outcomes?

- **How equitable is public expenditure** on services to promote child development in terms of child age, socio-economic background and geographic location?
- **Is public expenditure efficient** in terms of the allocation between different needs related to child development? Is expenditure aligned with priority outcomes to be achieved?
- How **could public expenditure be adjusted in terms of adequacy, efficiency and equity** to expand and improve services to promote child development?

To help answer these questions, the review used a mix of qualitative and quantitative methods to examine public expenditure on and institutional arrangements for key ECD interventions. This included an extensive document review drawing on the existing rich national research-base as well as international evidence; semi-structured interviews with key agencies and stakeholders engaged in the ECD sector; and new quantitative analysis based on publicly available data, including national, provincial and some municipal financial data, different household surveys and various databases for international comparisons. The analysis focuses on the national and provincial spheres where most of the expenditure on ECD services takes place.

Inevitably, there are gaps in the analysis due to current data and information constraints, and by virtue of this being the first public expenditure and institutional review dedicated to ECD in South Africa. Future research to address these gaps would include the following:

- Dedicated study to collect data to allow for analysis of public expenditure on health interventions critical to child development in the early years.
- Cross-province qualitative research to document and compare quality assurance processes for ECD services.
- Collection of financial data and qualitative research to examine municipal level expenditure, capacity, coordination and decision-making processes related to child development.
- Assessment of expenditure on ECD services by non-governmental organisations (NGOs) and corporations.

The remainder of this review is structured as follows.

Chapter 2 discusses the importance of investing in ECD and sets up the conceptual framework for ECD that informs the analysis and describes the examined interventions. Chapter 3 provides an overview of the current status and progress on key outcomes; provision of and access to services for child development; and selected quality aspects of ECD programmes, including disparities by socio-economic background and geographic location. Chapter 4 describes the sources of funding for the ECD system and the financial data used for the expenditure analysis. Chapter 5 covers the early learning interventions. It starts by describing challenges with the processes to register as an ECD programme and to apply for, claim and use the ECD programme subsidy; training and remuneration of ECD practitioners; and the flow of funds. Then it examines expenditure on early learning interventions as well as main cost drivers and

provincial differences. Next, it presents analysis of household expenditure on early learning, and how this compares to public expenditure. Chapter 6 focuses on financial and non-financial family support interventions for families and young children. It begins by exploring barriers faced by families trying to access the child grants, followed by examination of the flow of funds for and expenditure on these interventions. Chapter 7 discusses the main points for accessing early nutrition services and provincial department of health reporting on nutrition interventions, before examining the flow of funds for and expenditure on the examined nutrition interventions. Chapter 8 discusses the expenditure prioritisation of different child ages and different types of interventions as well as complementarity of interventions across early learning, family support and early nutrition. Chapter 9 discusses roles and responsibilities, leadership and coordination, and aspects of quality assurance from a perspective of strengthening the ECD system. Finally, based on the review evidence, chapter 10 presents options for how to expand and improve public expenditure and strengthen institutions in order to reduce malnutrition in the early years and improve early learning.

Box 1 Terminology used in this review

Different countries use different terminology to refer to children's development in the early years. In this review, the following key terms are used:

- **Early childhood development (ECD)** – young children's holistic development across a range of domains, including physical, cognitive, language, socioemotional and executive function.
- **ECD services** – services that promote ECD holistically across sectors.
- **ECD programmes** – programmes that provide childcare and services that support children's cognitive and socio-emotional development for children from birth until the year before they start school, to help develop their pre-literacy, pre-numeracy, and social skills they will need to succeed in school. This includes programmes provided at partial care facilities (ECD centres), community-based play groups and child and parenting support programmes.
- **ECD centre** – partial care facility that provides services with an early learning and development focus for children from birth until the year before they start school.
- **Grade RR** – pre-primary education offered to children aged three turning four by 30 June in the year of admission[8]. It is yet to be integrated within the South African national curriculum although the Basic Education Laws Amendment (BELA) Bill, which is to be finalised in 2022, aims to make grade RR mandatory by 2030.
- **Grade R** – reception year before starting grade 1, is mainly provided in primary schools but also by some ECD programmes. The entry age to grade R is four turning five by 30 June in the year of admission8. Grade R was introduced in South African schools in 2010, attendance is not yet compulsory but will become so on signing of the BELA Bill.

8 https://www.education.gov.za/Informationfor/ParentsandGuardians/SchoolAdmissions.aspx

2. Conceptual framework and interventions examined by the review

This chapter begins with an overview of the key stages of child development in the early years and of interventions critical to support children's healthy growth and development. It then discusses the priority ECD outcomes of the Government that are at the heart of this review. Finally, the conceptual framework that underpins the analysis is set out before discussing the ECD interventions examined by the review.

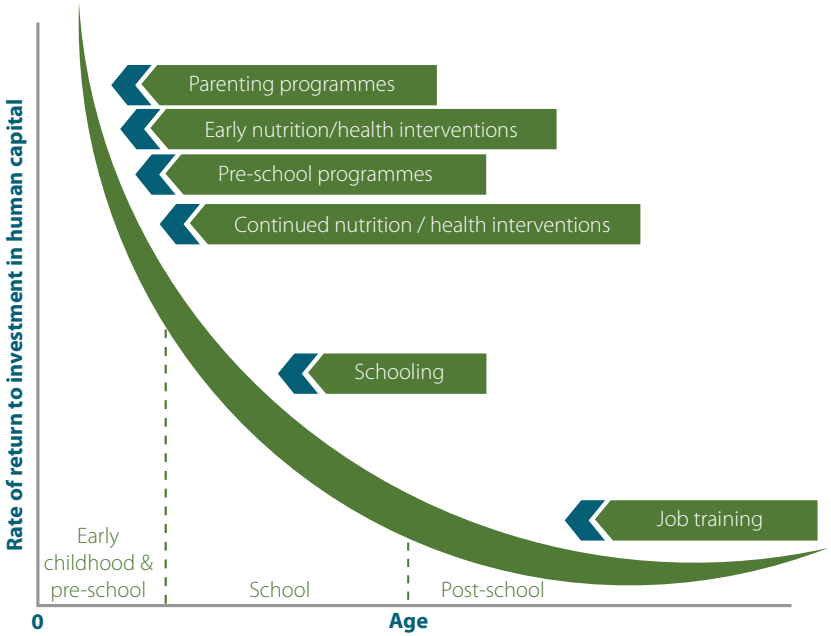
2.1 Why investing in ECD is important

Global evidence consistently shows that investments in ECD offer a remarkable return, not only for individuals but for societies as a whole. At the individual level, quality ECD programmes are associated with a better transition to primary school, reduced repetition and drop-out rates and higher learning achievement in school (Heckman and Masterov 2007; Engle et al. 2011; Shafiq et al., 2018). Investments in children's health and nutrition during their first 1,000 days yield better health outcomes throughout the lifetime. Across all types of ECD interventions, the benefits are more pronounced for children from poor households. Evidence from a range of settings also suggests that the cognitive and socio-emotional skills children develop in their early years are critical to success in the workplace and in life as adults, contributing to rising living standards of the entire population. At the societal level, the long-term benefits of investing in ECD established across countless studies, include reduced involvement in crime, better health-seeking behaviours and increased social cohesion and equality, all of which promote economic growth and reduce the burden on government systems (Garces, Thomas and Currie 2000; Heckman 2008a, 2008b, 2010; Heckman and Masterov 2007; Karoly et al. 1998; Schweinhart et al., 1993). These benefits also have implications beyond the individual's lifetime in their potential to stop the intergenerational transmission of poverty (Gertler et al., 2021; Heckman and Karapakula, 2019).

ECD interventions have a higher rate of return for each dollar invested compared to interventions targeted at older children or adults, with investments in parenting programmes and health and nutrition interventions from birth, and in pre-school programmes from age three onwards, having the highest rates of return (Figure 3). A home-visiting programme in Jamaica that comprised weekly visits from community-health workers supporting mothers to provide psycho-social stimulation to growth-stunted toddlers led to increased earnings for participants by 25% after 20 years (Gertler et al., 2014). The rate of return from investing in a set of nutrition interventions in 34 countries, including salt iodisation, nutrient and complementary feeding supplementation for pregnant women and children and nutrition education, at scale during the first 1,000 days of a child's life is estimated at 17% (Galasso and Wagstaff, 2017). For South Africa, a recent study which analyses the cost and impact of scaling ten nutrition

interventions for a cohort of children born in 2021, estimates that every USD1 invested in nutrition interventions would yield USD18 in productivity returns (Desmond et al., 2021). For early learning interventions, the rate of return per dollar invested is as high as 7-10% (in the United States) annually from quality pre-school programmes targeting vulnerable children and families (Heckman et al., 2010). Beyond the rate of return on ECD investments, for South Africa it has been estimated that for every USD1 invested in accessible childcare services, unemployed primary caregivers would generate USD7 in increased economic activity on average (Fraym, 2022). The investment case for ECD is persuasive.

Figure 3 Rates of return to investing in human capital at different ages



Source: Adapted from Heckman and Masterov 2007.

2.2. Early childhood developmental stages

Broadly speaking, ECD can be thought of as an outcome: a child's healthy growth and development. The period of intervention to achieve this outcome is from conception through to the transition to primary school. Interventions to promote child development need to come from a range of sectors, including but not limited to health and nutrition, education, social protection and water and sanitation (Denboba et al., 2014).

The first five years of a child's life are a critical and unparalleled period of development. During this time an estimated 90% of all brain growth occurs. Even before birth, the foundations for future potential success start to form as children's development across critical domains

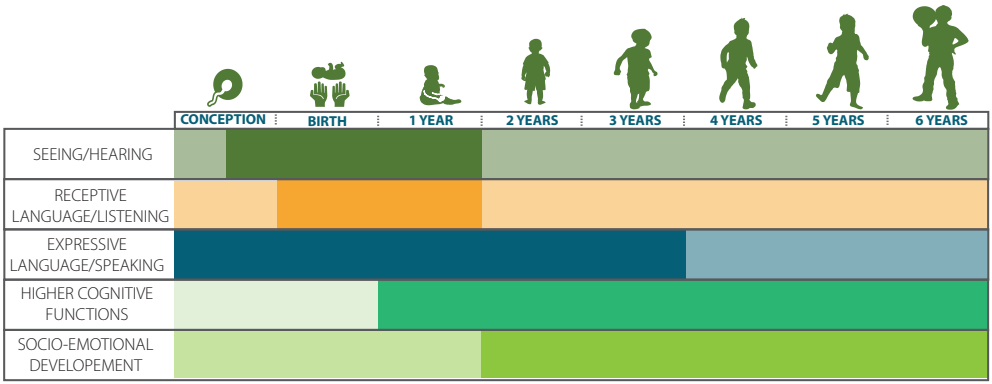
begin. Brain development is sequential and cumulative: simpler networks develop first and then more complex ones are formed. The development of sensory pathways and language peak during the first year and higher cognitive function development peaks shortly thereafter (World Bank, 2018). Children's development proceeds at a rapid pace across a range of different domains in the early years of life. From conception up to six years of age development occurs across five main domains: seeing/hearing, receptive language/listening, expressive language/speaking, higher cognitive functions and socio-emotional development (Figure 4). While each child is unique and the timeframe within which a developing child acquires individual skills varies, development does tend to be sequential with early skills begetting later skills, and development progressing as a series of building blocks (Heckman, 2006). During this critical period of development, children need nurturing care, which includes adequate healthcare, nutrition and stimulation, protection from stress and opportunities to play and learn (Black et al. 2017; WHO 2018). Conversely, if children do not receive the inputs needed to promote healthy development, early deficits can emerge and disadvantage them throughout life, which is why interventions to promote ECD are critical.

Adequate and appropriate nutrition and stimulation are critical during a child's first 1,000 days. While access to health, nutrition, stimulation and learning, and protection from stress and violence are key throughout the life cycle, the peak development periods can vary across domains, and at each stage of development there are specific inputs which are needed to promote children's optimal development. Nutrition and stimulation are particularly key in the first 1,000 days. As children grow older, around age three, opportunities to socialise with peers and more formal learning become more important to prepare children to succeed in school. Throughout the entire period from birth through to age six, opportunities to play are critical as well as secure relationships with caregivers that allow children to form attachments, for example, with parents, carers or teachers (Black et al., 2017; Devercelli and Beaton-Day, 2020). Meanwhile, risks associated with poverty, including poor nutrition, lack of stimulation and excessive stress, often have negative consequences for brain development (Engle et al., 2011). These risk factors often co-exist and exacerbate each other, for instance, poor health and nutrition contribute to a lack of school readiness which leads to poor school performance. Poor school performance leads to inadequate preparation for economic opportunities, and eventually, the perpetuation of intergenerational poverty cycles (Engle et al., 2007).

The evidence indicates that significant adversity experienced during critical and sensitive periods of early childhood can lead to long-term disruptions of brain development but also that children are resilient. The condition is known as 'toxic stress response' and is linked to poor life outcomes in health, well-being, education and job potential. Adverse Childhood Experiences (ACEs), including various forms of physical and emotional abuse, neglect and household dysfunction, are key determinants of toxic stress (Shonkoff et al., 2012). The evidence-base around the lifelong impact of ACEs, as well as potential pathways to address ACEs, has been well-established in high-income countries and is emerging in low- and middle-income

countries (Shonkoff et al., 2012; Walker et al., 2007). The prevalence and magnitude of ACEs are also likely to affect the potential impacts of early interventions to support young children, for example, evidence suggests interventions targeted at improving early learning may have reduced effects if children/caregivers are experiencing high levels of stress (Shonkoff et al., 2012). But the evidence also suggests that children are resilient and that with adequate support for them and their families, they can overcome adverse childhood experiences (Black et al., 2017; Engle et al., 2011; WHO et al., 2018).

Figure 4 Early childhood developmental stages



Source: Reproduced with modifications from Fernald et al. 2017.

2.3 Conceptual framework and interventions examined

There are some interventions considered essential for children's growth and development beginning from pregnancy through to transition to primary school (Denboba et al., 2014). These key interventions for young children and their families can be grouped by sector and stage/age group as follows (Figure 5):

- **Health** Critical interventions for parents include access to family planning and sexual reproductive health services; support to pregnant women through antenatal care visits; delivery attended by a skilled health worker; and prevention and treatment of parental depression. For young children key health interventions are appropriate immunisation, deworming and prevention and treatment of acute child malnutrition. For families as a whole access to healthcare services is essential.
- **Nutrition** During pregnancy, mothers-to-be should receive counselling on adequate diet and iron and folic acid supplementation. From the perspective of the child, exclusive breastfeeding during (at least) the first six months; supplementary feeding until age one followed by an adequate, nutritious and safe diet; micronutrient supplementation and fortification; and therapeutic zinc supplementation for diarrhoea, are all critical interventions. Within this period, the interventions during the first 1,000 days are especially important.

- **Social development** Social assistance transfer grants for families in need can help support children's healthy growth and development, for example, by allowing parents to provide an adequate and nutritious diet and to pay for their children to attend early learning programmes. Caregivers being educated about adequate and appropriate early stimulation, growth and development for young children help make the home environment more nurturing and stimulating. Parental leave and childcare and child protection services are other important interventions under social development.
- **Education** Sustained access to quality ECD programmes, especially from age three onwards, and pre-primary programmes is vital to ensure children receive adequate and appropriate stimulation to be able to benefit from primary education.
- **Water and sanitation** Access to safe water, adequate sanitation and good hygiene practices are especially important for young children who are much more susceptible to contracting debilitating communicable diseases such as diarrhoea.
- **Home affairs** Birth registration is another important intervention, which is required to access some ECD services, for example, to apply for child grants.

These interventions are considered key inputs to support the growth and development of children from conception until they start primary school. For the purposes of this review, the focus is on the interventions in this conceptual framework (highlighted in bold in Figure 5) that are among those most likely to contribute to two priority ECD outcomes: reduced malnutrition in the early years and improved early learning. The review groups these interventions into three 'buckets': (i) early learning interventions (early childhood and pre-primary programmes); (ii) family support interventions (social assistance transfer programmes targeted to children, caregiver education about early stimulation, growth and development and childcare and child protection services); and (iii) early nutrition interventions (complementary feeding; adequate, nutritious and safe diet; and micronutrient supplementation and fortification).

While other interventions in this framework also contribute to reduced malnutrition in the early years and improved early learning, they are not examined because of the scope of the review and data limitations. Expenditure on interventions under the 'water and sanitation' and the 'home affairs' sections and on parental leave in the 'social development' section in the conceptual framework are not examined as the focus of the review is on the education, health and social development sectors, while those interventions fall under the Department of Water and Sanitation, the Department of Home Affairs and the Department of Employment and Labour. In terms of data limitations, expenditure on maternal and child health services, covered in the 'health' and 'nutrition' sections of the conceptual framework, is currently not recorded in South Africa's national Basic Accounting System (BAS) and the Estimates of Provincial Revenue and Expenditure (EPRE) in a way that allows for sufficient delineation to identify expenditure on the health and nutrition interventions during pregnancy and birth; early child health; or on prevention and treatment of child malnutrition and therapeutic zinc supplementation[9].

9 PDoH BAS data down to sub-sub-programme level provided by National Treasury was systematically reviewed by the PEIR team.

Figure 5 Critical interventions for early childhood development

<table>
<tr><th></th><th>Pregnancy</th><th>Birth</th><th>6 months</th><th>12 months</th><th>24 months</th><th>36 months</th><th>48 months</th><th>60 months</th><th>72 months</th></tr>
<tr><td rowspan="5">Health</td><td>Antenatal care visits</td><td>Attended delivery</td><td colspan="7"></td></tr>
<tr><td colspan="2"></td><td colspan="5">Immunisation</td><td colspan="2"></td></tr>
<tr><td colspan="3"></td><td colspan="7">Deworming</td></tr>
<tr><td colspan="9">Access to family planning and sexual reproductive health (including youth-friendly services)</td></tr>
<tr><td colspan="9">Access to healthcare</td></tr>
<tr><td colspan="9">Prevention and treatment of parental depression</td></tr>
<tr><td rowspan="4">Nutrition</td><td rowspan="3">Counselling on adequate diet for pregnant women
Iron-folic acid supplementation</td><td rowspan="2">Exclusive breastfeeding</td><td colspan="2">Complementary feeding</td><td colspan="5">Adequate, nutritious and safe diet</td></tr>
<tr><td colspan="7">Therapeutic zinc supplementation for diarrhoea</td></tr>
<tr><td colspan="8">Prevention and treatment of acute child malnutrition</td></tr>
<tr><td colspan="9">Micronutrient supplementation and fortification</td></tr>
<tr><td rowspan="4">Social development</td><td colspan="2"></td><td colspan="7">Parental leave and childcare</td></tr>
<tr><td colspan="2"></td><td colspan="7">Child protection services</td></tr>
<tr><td colspan="9">Social assistance transfer programmes</td></tr>
<tr><td colspan="9">Caregiver education about early stimulation, growth and development</td></tr>
<tr><td>Education</td><td colspan="3"></td><td colspan="4">Early childhood development programmes</td><td colspan="2">Pre-primary programmes</td></tr>
<tr><td rowspan="3">Water and sanitation</td><td colspan="9">Access to safe water</td></tr>
<tr><td colspan="9">Adequate sanitation</td></tr>
<tr><td colspan="9">Hygiene / handwashing</td></tr>
<tr><td>Home affairs</td><td colspan="2"></td><td colspan="7">Birth Registration</td></tr>
</table>

Source: Reproduced from Denboba et al. 2014 with some modifications. Note: 1) Some caregiver education and support interventions are in the health sector. 2) Parental leave is under the Department of Employment and Labour in South Africa.

The national and provincial budget line items to support the selected interventions under the three buckets of interventions that are examined by the review are discussed below. The age group of interest for the analysis is 0-5, but for the early learning interventions, pre-primary programmes which are aimed at older children, are also covered to capture the transition from ECD programmes to school through grade R.

For the expenditure analysis, the review maps national and provincial budget programmes and sub-programmes to the interventions in the early learning, family support and early nutrition buckets (Table 6).

Early learning interventions

For early learning, public expenditure on ECD programmes and pre-primary programmes (Table 6) was through the provincial departments of education (PDoEs) and national and provincial departments of social development (PDSDs) until April 1, 2022, when all expenditure was transferred to the education sector.

Expenditure on early learning is directed to the following interventions:

- Grade R in public schools and ECD programmes.
- ECD infrastructure development and maintenance (mainly grade R classrooms in public schools).
- Human resource development and training for ECD practitioners and grade R educators.
- Subsidy for ECD programmes, which shifted from DSD to DBE in April of 2022, which supports child development in terms of both early learning and nutrition (see below).

Family support interventions

Expenditure on family support interventions in the social development section of the framework is captured through the following budget programmes and sub-programmes:

- The three child grants: the child support grant (CSG), the care dependency grant (CDG) and the foster child grant (FCG)[10], which all fall under DSD and are administered by provincial South African Social Security Agency (SASSA) offices. These grants can serve to help families provide food and pay for ECD programmes and other services essential to child development.
- Under budget sub-programmes 'Care and services to families' and 'Childcare and child protection', PDSDs seek to ensure children are safe and live in protected family environments. Services under these sub-programmes include parent education and training programmes; family reunification services; psychosocial support for children in need of care and protection; prevention and awareness campaigns; foster care placement; and some training of and renumeration for social workers. Which of the two sub-programmes a given service falls under varies by province.

10 This is referred to as the 'foster care grant' in ENE.

- The PDSD sub-programme 'Child and Youth Centres' (CYCC) covers residential care services for children in need of alternative care and protection.
- The PDSD sub-programme 'Community-based care services for children' consists of support and early intervention programmes for the care and protection of vulnerable children including orphans, and training of Child and Youth Care Workers (CYCWs).

Many of the services under the PDSD sub-programmes are provided by NGOs contracted by the departments. The four sub-programmes are aimed at children from birth until they turn 18. It is not possible to directly identify expenditure for the age group 0-5, instead, estimates of expenditure on these interventions likely to flow to this age group are provided.

Early nutrition interventions

Expenditure for early nutrition interventions fall under the departments of education, health and social development at national and provincial levels, and are more challenging to identify than for the early learning and family support buckets. It is particularly difficult to identify expenditure on nutrition interventions under the national and provincial departments of health given the way data is recorded.

The nutrition expenditure covered by the review include:

- The National School Nutrition Programme (NSNP) that provides meals either directly or indirectly to quintiles 1, 2 and 3 public primary schools, including to learners in grade R under the purview of the DBE.
- The 'Child, Youth and School Health', the 'Health Promotion and Nutrition' sub-programmes under DoH and the 'Nutrition' sub-programme under PDoHs which provide nutrition services targeted at specific groups and combine direct and indirect nutrition interventions to address malnutrition.
- Food and food supplies under various PDSD sub-programmes and the DSD 'Social Relief of Distress' (SRD) which among other things, provides food parcels over short periods of time to families in distress.

Some interventions serve to both reduce malnutrition and improve early learning, but to avoid double counting, were assigned to the bucket deemed most relevant. For example, ECD programmes provide opportunities for early learning but also provide an important avenue to reduce malnutrition through the provision of meals. Since the programmes' main role is to promote early learning, the ECD subsidy which also covers, among other things, meals for children in ECD programmes, is assigned to the early learning bucket. In this sense, to have a fuller picture of efforts to improve nutritional outcomes, one needs to consider the three buckets of early learning, family support and early nutrition interventions together (chapter 8). The relatively greater emphasis of this review on the early learning interventions is to help inform decision-making and planning after the recent ECD function shift from DSD to DBE.

To achieve the outcomes of reduced malnutrition and improved early learning will not only require more and better expenditure on high-return interventions but also strengthening of key aspects of the ECD service delivery system. Based on an extensive document review of the existing national research-base; semi-structured interviews with key agencies and stakeholders engaged in the ECD sector at national and provincial levels; and examination of global good practice for institutional arrangements in the ECD sector, the review offers suggestions on priority areas to be strengthened.

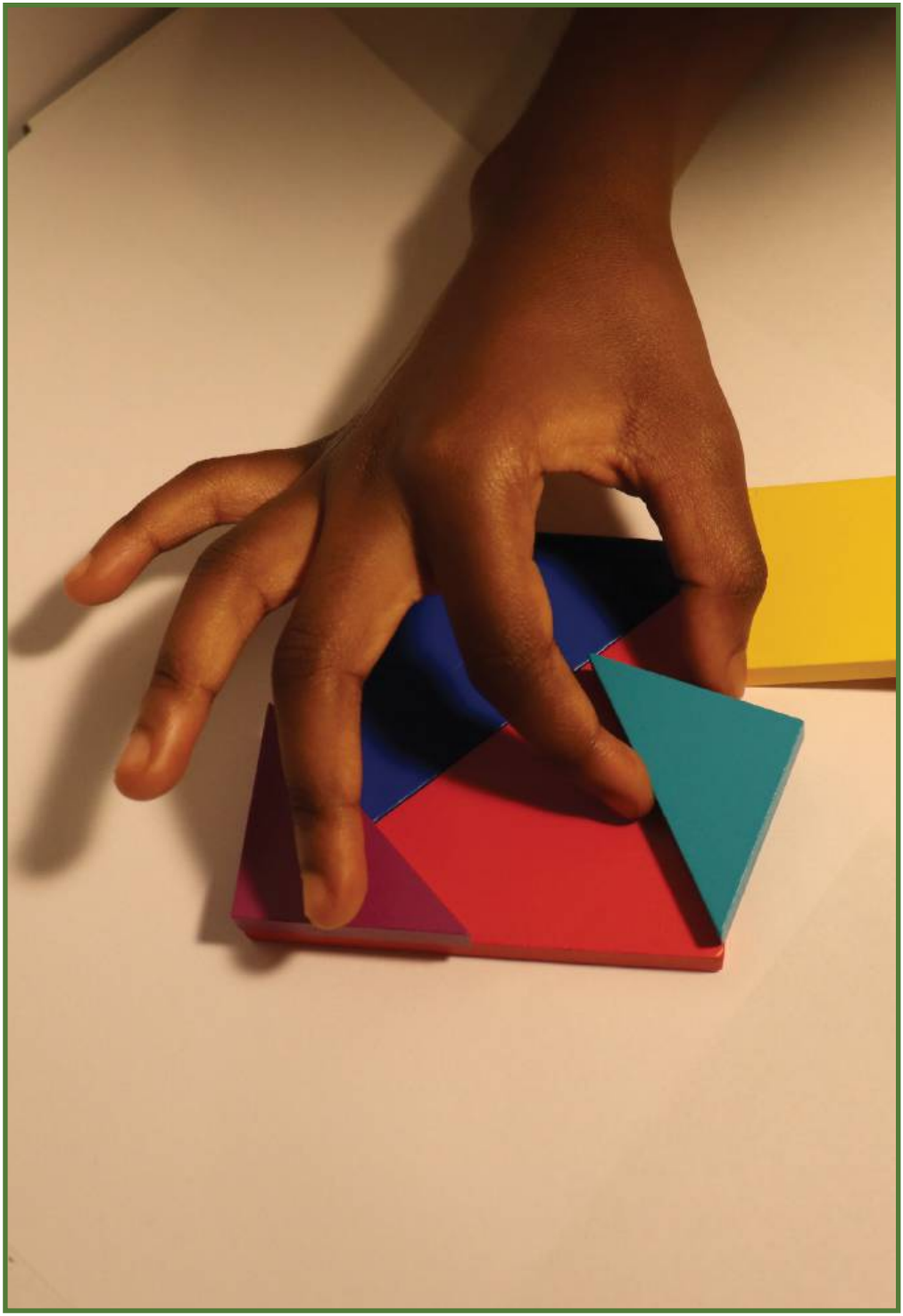
The interventions examined by this review are set out below (Table 6) and are discussed in more detail in subsequent chapters.

Table 6 Overview of the ECD interventions examined by the review

	Spending agency	Sub-programme number	Programme name	Sub-programme name	Interventions from conceptual framework
EARLY LEARNING	PDoE	5,1	Early childhood development	Grade R in public schools	ECD programmes and pre-primary programmes
		5,2		Grade R in ECD programmes	
		5,3		Pre-grade R training for educators/ practitioners	
		5.4, 5.5		HR development for educators/ practitioners and non-educators in Grade R at public schools and ECD centres	
		6,4	Infrastructure development	ECD infrastructure (grade R classrooms in public schools)	
	DSD	Programme 4	Children	Nationally administered expenditure	
	PDSD	3,4	Children and families	ECD and partial care (includes ECD subsidy)	
FAMILY SUPPORT	DSD	Programme 2	Social assistance	Child support grant Care dependency grant Foster care grant	Social assistance transfer programmes, caregiver education about early stimulation, growth and development, childcare and child protection services.
	PDSD	3,2	Children and families	Care and services to families	
		3,3		Childcare and child protection	
		3,5		Child and youth care centres	
		3,6		Community-based care services for children	
EARLY NUTRITION	DBE	Conditional grant	National School Nutrition Programme		Complementary feeding; adequate, nutritious and safe diet; micronutrient supplementation and fortification
	DoH	3,5	Communicable and non-communicable diseases	Child, Youth and School Health	
		3,8		Health promotion and nutrition	
	PDoH	2.6, 2.7	District health services	Nutrition	
	DSD	2,8	Social assistance	Social Relief of Distress	
	PDSD	Various programmes and sub-programmes classification: Inventory: Food and food supplies			

Source: PEIR team.

Note: 1) Sub-programme numbers at national level are from ENE and at province level from EPRE. 2) The spending by PDSD on inventory: food and food supplies under the early nutrition package excludes such spending under sub-programme 3.4. 3) For simplicity a small amount of expenditure was reclassified. Expenditure on sub-programme 5.7 EPWP Grants which is spent on pre-grade R training was moved under sub-programme 5.3 Pre-Grade R training and expenditure on sub-programme 5.5 Conditional Grants was moved under programme 6 Infrastructure development, sub-programme 6.4 Early Childhood Development.



3. The ECD landscape in South Africa

The current status, progress and disparities for key ECD outcomes and service provision and access related to the examined interventions are explored in this chapter to provide the context for the subsequent analysis of expenditure and institutional arrangements. It also discusses some aspects of quality of ECD programmes using data from the inaugural ECD Census of 2021.

3.1. Key ECD outcomes: status, progress and disparities

Child poverty has declined notably since 2008 but a majority of children still live below the national poverty line, which holds back their growth and development. Poverty is one of the biggest risk factors for child development and efforts to effectively target young children and families living in poverty is essential to making progress on ECD (May et al., 2020). In 2019, a majority of children under-five (56%) were living below the upper-bound national poverty line of R1,227 per person per month, and 34% were living below the food poverty line of R561 per person per month (Table 7)[11]. However, there has been notable progress over the last decade, with the proportion of young children living below the upper-bound poverty line decreasing by eight percentage points since 2009 and the proportion of children living below the food poverty line decreasing by five percentage points from 41% (Children's Institute, 2022). Regular income and other employment benefits all contribute to a child's health, development, and education. Employment is important not just for income but also may come with other formal sector employment benefits, such as health insurance, unemployment insurance and maternity leave. In 2015, 29% of children below the age of six – equivalent to 1.8 million – were living in households where nobody was employed or engaged in income-generating activities, although this was a major improvement compared to 38% in 2003 (Hall et al., 2017).

The disadvantages that impact children's development begin even before they are born. About 31% of all pregnant women are anaemic with similar levels for women in poor and rich households. Anaemia during pregnancy is associated with a higher likelihood of low birthweight, which in turn is linked with increased neonatal mortality and morbidity, inhibited growth and cognitive development and increased risk of chronic diseases (UNICEF and WHO, 2004). Another concern is the increasing rate of obesity (41%) amongst women (DoH, 2017), which does not only have a negative impact on pregnancy and birth outcomes but are also associated with child obesity and adverse health outcomes later in life. An estimated 13% of children under-five were overweight or obese in 2016 (Table 7), posing a risk to their healthy growth and development. There were notable provincial differences, with less than 5% of children under-five in the Northern Cape being overweight compared to 20% in Eastern Cape (DoH, 2017).

11 This means a household cannot afford any consumption other than that required to meet the minimum caloric intake.

Pregnancies among young girls are common, posing a danger to their health and to their children's growth and development as well as subsequent life chances. South Africa is unusual in that although its total fertility rate is low at 2.6[12] children per woman (DoH, 2017), the adolescent fertility rate is high. In 2016, it was 71 per 1,000 females ages[13] 15 to 19, a slow decline from 77 in 1998 (Table 7). This rate was more than three times as high for girls from the poorest household quintile (81 per 1,000) as for those from the richest household quintile (25 per 1,000) (Figure 6). In 2020, close to 4% of all births were to girls aged 17 or younger, and of most concern, 499 girls between the ages of 10 and 13 gave birth (Stats SA, 2021), roughly equivalent to 1 per 1,000 girls in this age group. These numbers may have been exacerbated by a deterioration in living conditions as a result of the COVID-19 pandemic. Early pregnancy and motherhood are linked to higher maternal mortality and greater risk of maternal complications, and in turn, higher neonatal mortality (United Nations Population Fund (UNFPA), 2021; UNFPA and UNICEF, 2021; WHO, 2016). There are also generational effects, with children of young mothers having a higher likelihood of stunting in the early years, and tending to have worse health, academic, economic and social outcomes later in life (Anakpo and Kollamparambil, 2021; Fall et al., 2015).

Violence against young children can lead to long-term disruptions of brain development and intergenerational transmission of violence. Data to regularly monitor how common child abuse and neglect is does not exist (Mathews and Martin, 2016), but there are some studies. In 2016, an estimated 33% of children were subject to sexual and physical abuse and 12% suffered neglect by age 18 (Artz et al., 2016). The most serious form of child abuse is child homicide. For South Africa, the child homicide rate was estimated at 5.5 per 100,000 children younger than 18 in 2012[14], which is twice as high as the global rate. A 2012 study[15] of five sites in Eastern Cape and KwaZulu-Natal, found that among children under-four, 5% experienced physical abuse, 45% sexual abuse and 50% deliberate neglect. In the majority of cases (80%), the perpetrator was related to the victim (Jamieson, Sambu and Mathews, 2017).

12 In developed countries the replacement fertility rate is 2.1 children per woman, but it is higher in developing countries due to higher infant and child mortality rates.
13 Rate during the three years preceding the survey.
14 Most recent year available.
15 This study is not representative of Eastern Cape and KwaZulu-Natal provinces.

Table 7 Key ECD maternal and child health and poverty outcomes

			Value	SA data year
Maternal and child health and nutrition	1	Adolescent fertility rate (births per 1,000 females ages 15 to 19)	71/1,000	2016
	2	Infant mortality rate[1]	23/1,000	2017
	3	Under-5 mortality rate[1]	32/1,000	2017
	4	Prevalence of anaemia among pregnant women	31%	2016
	5	Infants under 6 months exclusively breastfed	32%	2016
	6	Children ages 6-23 months fed minimum acceptable diet	23%	2016
	7	Mortality rate for under-5s who suffer from severe acute malnutrition[1]	7%	2018
	8	Under-5 prevalence of stunting	27%	2016
	9	Under-5 prevalence of overweight and obese	13%	2016
Poverty	10	Children under-five living below upper-bound poverty line (ZAR1,227/month)	56%	2019
	11	Children under-five living below food poverty line (ZAR561/month)	34%	2019
	12	Households with children under-five that skipped a meal five+ days last month	7%	2019

Source: 1,4,5,6,7,8,9 DoH (2017); 3,4 DPME (2019); 10,11 Children's Institute (2021); 12 weighted estimates based on GHS 2019 data.

Note: 1) Medium Strategic Framework 2019-2024 indicator.

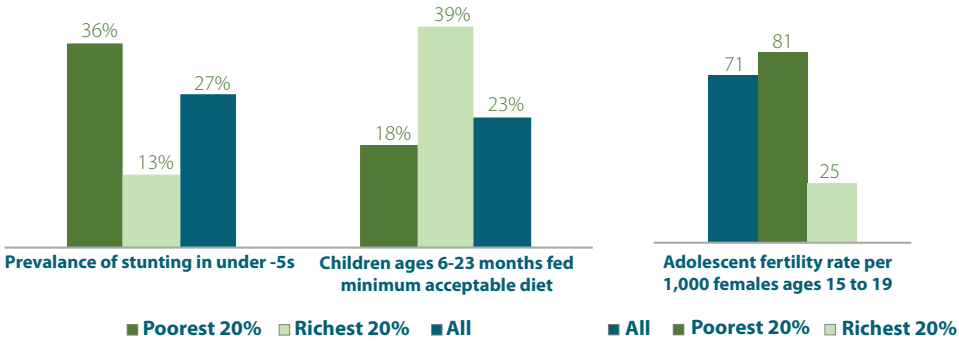
Malnutrition is a leading cause of death for young children. Reducing mortality rates for infants and young children is a main goal of the *Medium-Term Strategic Framework 2019-2024* (MTSF) as part of its strategy to increase total life expectancy (DPME, 2019). In 2017, the infant mortality rate was 23 per 1,000 births and the under-five mortality rate was 32 per 1,000 live births (DPME, 2019). Among children ages 1-4, malnutrition was the third leading cause of death in 2018 after influenza and pneumonia[16] and intestinal infectious diseases (Stats SA, 2019). Another related indicator tracked under the MTSF, is the mortality rate for under-fives who suffer from severe acute malnutrition, which was 7% in 2018, further indicating the severity of the problem (Table 7).

Stunting affects children from all socio-economic backgrounds indicating a lack of parental knowledge about appropriate diets for young children. Stunting (a measure of chronic undernutrition) can have a profound impact on long-term health, development, and productivity, and across generations, with women who have been stunted themselves more likely to give birth to low birthweight children (May et al., 2020). In 2016, 27% of children under-

16 These two count as one disease group.

five were stunted (Table 7). Although children from the poorest household quintile are much more likely to be stunted (36%), and are much less likely to be fed a minimum acceptable diet (18%) compared to young children from the richest household quintile (13% and 39% respectively), the latter are also affected (Figure 6). There are also large differences by province, with a mere 7% of children ages 6 to 23 months living in Limpopo being fed a minimum acceptable diet compared to a high of 42% in Free State (DoH, 2017). Contributing factors, other than poverty and a lack of parental knowledge, include relatively low rates of exclusive breastfeeding for children below six months, which was at 32% in 2016, although this was a substantial increase from a mere 7% in 1998 (DoH, 2016).

Figure 6 Socio-economic disparities in key indicators that affect child development 2016

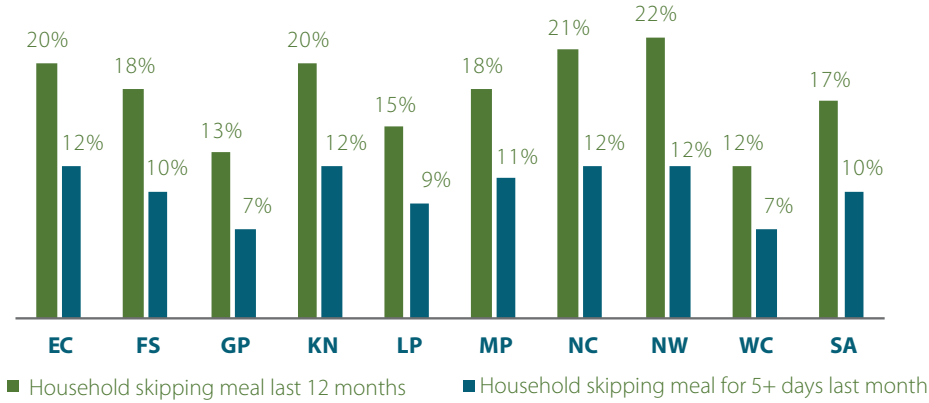


Source: DoH (2017).

The *2020 South African Child Gauge* uses the term 'slow violence' to describe the pernicious dynamic of how food and nutrition insecurity during childhood threaten human development across the life course, contributing to the intergenerational transfer of poverty, malnutrition, and ill-health (May et al., 2020). This is the situation for a large number of children in the country.

Levels of food insecurity differ substantially across and within provinces. Outside the two relatively prosperous provinces of Western Cape and Gauteng, Limpopo and Free State experienced relatively low levels of food insecurity in 2016. For instance, 22% of households with young children in North West skipped meals during the year compared to 12% in Western Cape, and 12% of households in Eastern Cape skipped meals for five or more days in the last month while only 7% of households in Gauteng did (Figure 7). The situation was exacerbated with the onset of the COVID-19 pandemic. An estimated 23% of households reported that someone in their household went hungry in the past seven days between May and June 2020 because there was not enough food (Van der Berg et al., 2021).

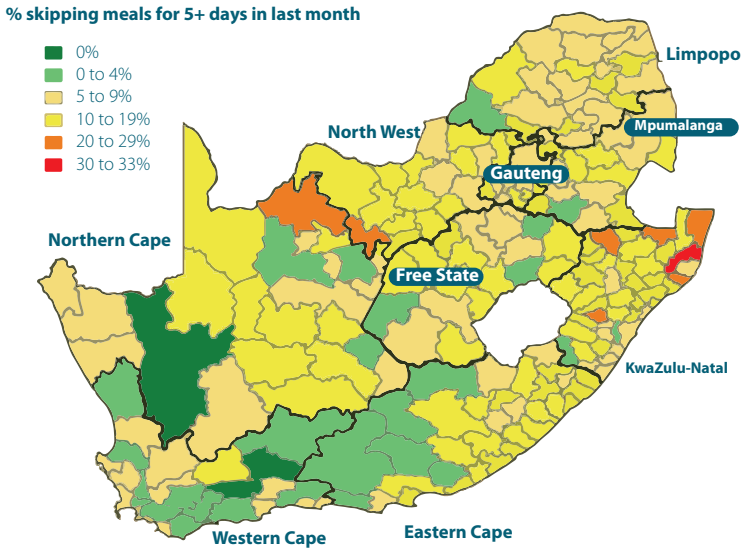
Figure 7 Food insecurity in households with young children in 2016



Source: Weighted estimates based on Community Survey 2016 data. Note: 1) Households with children ages 3-4 at the start of 2016.

There are two distinct pockets of the country experiencing widespread food insecurity. These are municipalities in the far north of KwaZulu-Natal and two adjacent municipalities spanning the Northern Cape and North West (Figure 8), strongly indicating the need for additional efforts to counter hunger in these areas.

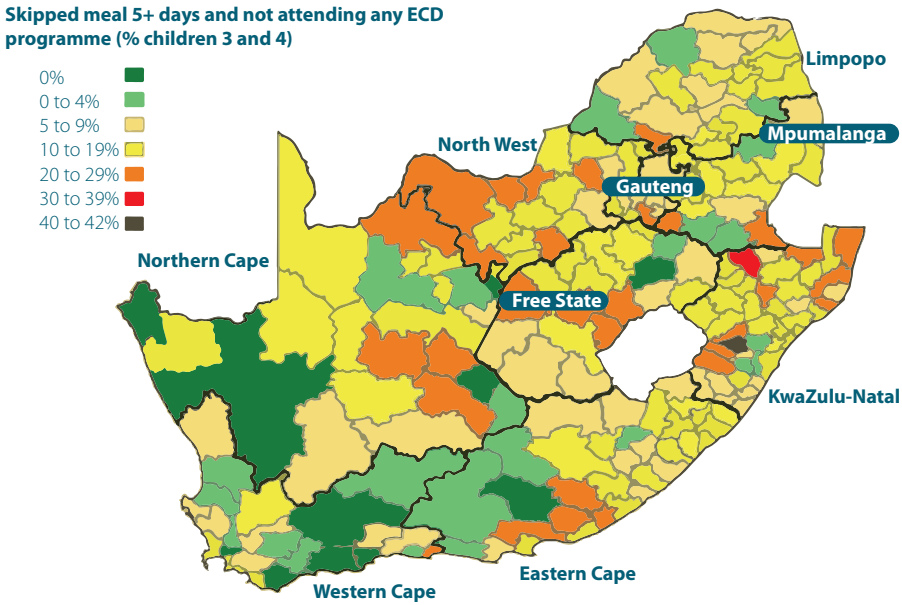
Figure 8 Acute food insecurity by municipality 2016



Source: Community Survey 2016 microdata. Note: 1) Geographical units are local municipalities. 2) 95% confidence intervals per municipality are relatively wide, around 8 percentage points for the median-sized municipality.

A large group of children are doubly disadvantaged, suffering from food insecurity and not attending any ECD programme. In a majority of local municipalities, more than 10% of children ages 3-4 were hungry and not attending any form of ECD programme in 2016 (Figure 9). In some municipalities, this proportion rose to 20% or more.

Figure 9 Doubly disadvantaged children: food insecurity and not attending an ECD programme 2016



Source: Community Survey 2016 microdata. Note: 1) Geographical units are local municipalities. 2) 95% confidence intervals per municipality are relatively wide, around 8 percentage points for the median-sized municipality. 3) Households covered in the bottom panel are 24% of the households covered in the top panel because the analysis is restricted further to households with children ages 3-4 who do not attend any form of ECD programme.

Box 2 International examples of how to reduce stunting

Malnutrition is dramatically impacting young children's future potential in South Africa. The solutions to reduce malnutrition vary across countries and contexts but tend to involve cross-sectoral efforts and targeting of the most vulnerable families. The approaches taken by five successful efforts in Brazil, Peru, Bolivia, India and Senegal are set out below, and demonstrate that progress is possible in the short- to medium-term.

Across these efforts, there are several key common elements:

- Integrated, multi-sectoral approach.
- Community mobilisation, especially of mothers, to promote behaviour change and empowered engagement.
- Targeting the most vulnerable regions and families.

As discussed throughout this review, there is not currently an effective multi-sectoral coordination mechanism in South Africa, for early childhood, and this is an area in need of improvement. There are already some mechanisms in place to target the most vulnerable families (such as the Child Support Grant) and these could be leveraged to reach families with more funding to increase purchasing power parity, as well as information to promote behaviour change.

Table 8 Examples of country approaches to reduce stunting

Country	Stunting[17] reductions	Key factors that contributed to stunting reduction
Bolivia	Under-2 stunting reduced from 19% in 2008 to 14% in 2011	• Integrated promotion of exclusive breastfeeding and use of fortified complementary foods from 6-23 months, interventions to improve nutrition security, access to clean water, sanitation, education, healthcare • Programming model that involved multi-sectoral approach • Supported sustainable family farming and consumption of family foods • Improved purchasing power of families through expansion of cash transfer programmes and increase in minimum wage
Brazil	Under-5 stunting reduced from 37% in 1974 to 7% in 2007	• Increase in rates of female education • Expansion of maternal and child health services • Expansion of water and sanitation systems • Improvements in the quality and quantity of food produced by small family farms

17 While stunting is just one indicator of malnutrition, it is generally considered a good proxy for overall malnutrition and child development challenges.

Country	Stunting reductions	Key factors that contributed to stunting reduction
India, State of Maharashtra	Under-2 stunting reduced from 44% in 2005 to 23% in 2012	• Advocacy on first 1,000 days • Multi-sectoral approach • Promoting community-led and community-managed programmes • Behaviour change promotion through use of technology and media • Policy reforms that integrated nutrition in social protection strategies
Peru	Under-5 stunting reduced from 31% in 2000 to 14% in 2015	• Multi-sectoral approach implemented at national, regional and district levels involving results-based budgeting and targeting the most vulnerable regions and families.
Senegal	Under-5 stunting reduced from 34% in 2000 to 19% in 2014	• Prioritization of nutrition in National Development Plan • Scale up of community-based nutrition interventions • Targeting the most vulnerable population • Multi-sectoral approach • Early involvement of women in the fight against malnutrition at the community level

Source: Marini et al. (2017).

Early deficits in nutrition adversely impact children's cognitive development and early learning. A study of children ages 4 to 6 in eight districts across Eastern Cape, KwaZulu-Natal, North West and Western Cape, found that those who were stunted on average did significantly worse with respect to cognitive and executive functioning and emergent numeracy and maths skills (Innovation Edge, 2019). Another study tracking a cohort of children born in urban areas in South Africa in 1990 find that those who were stunted at age 2 but no longer at age 5, did significantly worse on cognitive tests than their peers who were not malnourished during their early years. Even more concerning, at age 5 they performed similarly to children who remain stunted (Casale and Desmond, 2016). The 2021 nationally representative Thrive by Five Index Survey (see below) found severe stunting to be the main reason for differences in early learning levels for children ages 50-59 months who attend ECD programmes.

Nationally representative data to measure early learning outcomes for children enrolled in early learning programmes only became available this year. Historically, nationally representative data on young children's cognitive development and emergent literacy and numeracy skills has not been collected in South Africa. To remedy this, the *Thrive by Five Index* was launched in April 2022, which measures the proportion of children ages 50

to 59 months who are developmentally on track on early learning, health (height for age), and psycho-social well-being, to provide a national baseline (Box 3). For this exercise, the Early Learning Outcome Measure (ELOM) Direct Assessment for ages four and five and the ELOM Social and Emotional Functioning Rating Scales, developed by Innovation Edge in collaboration with DBE, was used. However, no data is available on early learning levels for children ages 0-4 or for children who do not attend early learning programmes. This is a major gap in the ECD system as without such measurement it is not possible to monitor progress or to target support to where it is most needed.

Box 3 The new Thrive by Five Index Survey

The *Thrive by Five Index Survey 2021* is the first in a series of surveys that will monitor trends over time in the proportion of children ages 50 to 59 months attending early learning programmes in South Africa who are 'On Track' for their age. The Index provides individual-level data on how well pre-school children are doing in three key developmental domains which are known to be associated with longer term outcomes: early learning, physical growth and social-emotional functioning. The Index is the largest survey of pre-school child outcomes ever attempted in South Africa, and the inaugural Index was launched in April 2022.

Data for the Index was collected between September and November 2021. A multi-stage cluster sampling strategy was used to recruit a nationally representative sample of children ages 50 to 59 months enrolled in various types of early learning programmes. The sampling strategy allows the Index to disaggregate findings by gender, province and income levels. The final weighted sample used for analysis included 5,139 children (48% boys and 52% girls) drawn from 1,247 early learning programmes across the country.

Data on learning outcomes was collected using the ELOM (4 and 5), a locally developed and standardised instrument that is aligned with the South African early learning curriculum. Each child was assessed in their home language, by a trained and accredited ELOM assessor. Data was collected on five important learning domains: (i) gross motor development, (ii) fine motor and visual motor integration, (iii) early numeracy and maths, (iv) emergent literacy and language, and (v) cognition and executive function. For physical growth, the Index looks at one key measure, the child's height for age. This is important because it shows whether a child is at risk of stunting, which usually associated with chronic malnutrition, and known to compromise neurological and cognitive development with significant loss of an individual's potential. Social relations with peers and adults and emotional readiness for school were assessed using the ELOM Social-Emotional Rating Scales, completed by the child's teacher.

Source: Correspondence with Innovation Edge, March 2022.

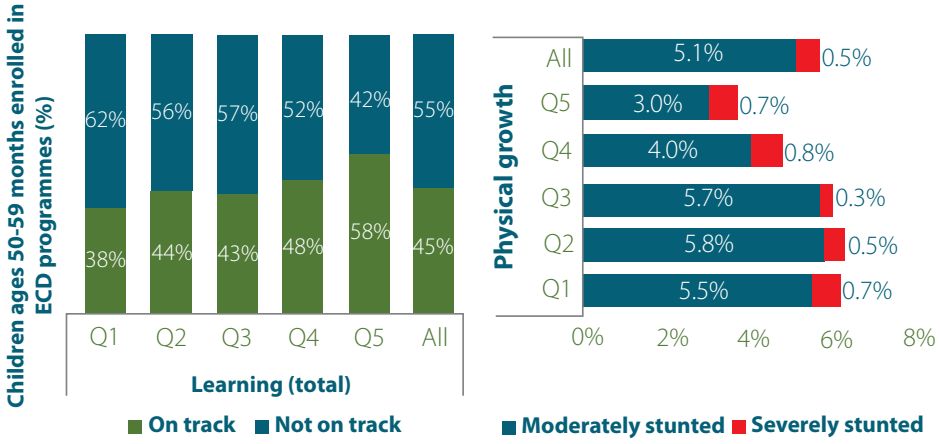
By age five, a majority of children who are in early learning programmes have not achieved the excepted levels of early learning and/or physical growth. A mere 43% of children age 50-59 months who are enrolled in an early learning programme meet the expected early learning standards as measured by ELOM 4 and 5 and are within the expected range of

height for age (Giese et al., 2022). Among the remaining group, 53% are on track for either early learning or physical growth, and of most concern, 4% are not on track for either. To allow these children to be able to take advantage of grade R and subsequent schooling will require major support, even so, many will not be able to catch up with their developmentally better off peers (Giese et al., 2022). This emphasises the urgent need to provide more support to children from an early age in terms of both nutrition and early stimulation.

Even among children from the richest households who attend early learning programmes, many are not on track for early learning or for physical growth. On average, children from the top income quintile do better developmentally than children from lower income quintiles. However, although more children in the bottom income quintile, 62% are not on track for early learning and around 6% are moderately or severely stunted (Figure 10), this is also the case for many children from the top income quintile at 42% and 3.7% respectively. For early learning, the domains where most children perform poorly are on fine motor skills and visual motor integration and on emergent numeracy and mathematics, followed by cognitive and executive functioning (Giese et al., 2022), all of which will negatively impact their ability to learn once they start school, as well as their overall life chances.

Some evidence from South Africa finds beneficial impacts on cognitive outcomes of attending ECD programmes. A recent research paper estimating the impacts of five ECD programmes uses children's school readiness data from different samples from 2016, 2018 and 2019 (Van der Berg, 2021) and finds beneficial effects. School readiness is determined using ELOM 4 and 5 (see above). The paper compares the gain scores for the five programmes to the gains associated with ageing and concludes that the programmes appear to have large beneficial impacts on cognitive outcomes, ranging between 0.08 and 0.82 of a standard deviation, from good but relatively low intensity ECD programmes.

Figure 10 Learning and stunting levels by age five by income quintile 2022



Source: Based on data from Giese et al. (2022).

South Africa's rates of adolescent fertility, under-five mortality, under-five stunting and learning poverty are very high compared to other actual and aspiring upper-middle-income countries (UMICs). South Africa is not alone in the challenges experienced in scaling up access to ECD services and improving child development outcomes. Compared to aspiring UMICs (Peru, Sri Lanka and Thailand), other selected UMICs and the UMIC average, South Africa's rates of adolescent fertility, under-five mortality, under-five stunting and learning poverty are very high (Table 9), indicating priority areas for intervention. By contrast, its completeness of birth registration, participation in pre-primary education and access to basic drinking water are at similar levels, reflecting notable improvements. South Africa's female labour force participation is close to the UMIC average and neighbouring countries but is still well below that in Peru, Thailand and Vietnam. Increasing access to affordable, quality ECD programmes could help raise female labour force participation. Most countries around the world, including South Africa, are neither investing enough in early childhood nor rolling out effective policies to promote better child development (UNICEF, 2020; Neuman and Devercelli, 2016). This underinvestment in the country's future human capital will impact the future development of individuals as well as of the country as a whole.

Table 9 International comparison of selected ECD indicators

		South Africa	Regional comparators			Selected actual & aspiring UMICs				UMIC average (50+ countries)
			Kenya	Namibia	Nigeria	Peru	Sri Lanka	Thailand	Vietnam	
1	Under-5 mortality rate (2016-2020)	32/1,000	42/1,000	40/1,000	117/1,000	13/1,000	7/1,000	9/1,000	21/1,000	18/1,000
2	Under-5 prevalence of stunting (2013-2020)	27%	19%	18%	35%	11%	16%	12%	22%	11%
3	Under-5 birth registration completeness (2013-19)	89%	67%	78%	43%	98%	97%	100%	96%	-
4	Access to basic drinking water (2020)	94%	62%	84%	78%	93%	92%	100%	97%	96%
5	Pre-primary ANER one year before primary school (2012-2019)	97%	90%	90%	61%	96%	42%	98%	95%	-
6	Learning poverty at end of primary (2015-19)	80%	-	-	-	60%	15%	-	20%	-
7	Adolescent fertility rate (2019)	71/1,000	73/1,000	60/1,000	104/1,000	55/1,000	20/1,000	44/1,000	27/1,000	29/1,000
8	Female labour force participation (15-64 years) (2018-2019)	53%	64%	57%	53%	73%	39%	67%	72%	57%

Source: 1 UN Inter-agency Group for Child Mortality Estimation 2022; 2 UNICEF, WHO, World Bank JME; 3 UNICEF SOWC 2021; 4 World Bank Open Data; 5 UNICEF Global database on Adjusted Net Attendance Rate 2022; 6 World Bank EdStats 2022; 7 World Bank Open Data; 8 International Labour Organization, ILOSTAT database 2022. Note: 1) Learning poverty level = proportion of children age ten who are not in school (schooling deprived) or are below the minimum reading proficiency level (learning deprived).

3.2 ECD services: provision and access

There are three main contact points for families and children accessing ECD services: ECD programmes, healthcare facilities and community- and home-based visits. These points provide a range of services, including water and sanitation, health and nutrition, social protection and early learning (DBE-DSD, 2021).

Access to piped water and basic sanitation has improved, but a large group of young children still live without such access, and there are major differences between districts across the country. Inadequate water and sanitation conditions affect hygiene, health and food preparation in households and can lead to the spread of diarrheal diseases and other infections. In 2020, 94% of households in the country had access to basic drinking water (Table 9). Access to basic sanitation has improved substantially, from 54% of children under-six living in a household with a toilet or Ventilated Improved Pit latrine (VIP) in 2008, to 77% in 2018 (Hall et al., 2017). But there are large differences in access to basic water and sanitation services between districts. More than half of children under six live in households without piped water in 19 out of the 52 districts in South Africa. For example, only 12% of young children in the Eastern Cape district of OR Tambo have access to running water in their home or on site, compared to 94% in Nelson Mandela Bay and 98% in the Central Karoo district in Western Cape (Hall et al., 2017).

Provision of and access to essential maternal and child health services have increased notably over time. Among pregnant women, 79% made their first antenatal care visit during the first five months of pregnancy in 2016, an increase by 15 percentage points since 1998, and most pregnant women (90%) receive iron supplementation (Table 10). Close to all births are now taking place in a health facility attended by trained staff (96%) compared to 83% in 1998, and a large majority of new-borns (86%) have their first post-natal check within two days of birth. In terms of ease of visiting health facilities, around 18% of households with young children now live 30 minutes or more from a health facility, down from 27% in 2009 (Table 10). But only an estimated 58% of children below age one has received all the basic vaccinations, indicating the need for further effort to increase immunisation coverage[18].

There is scope to improve the uptake of the child support grant in the first year of life, which could support families in providing adequate diets during this critical window. Close to 53% of all children receive the CSG during their first year of life (Table 10). While only children from poor and vulnerable households are eligible for the grant (section 6.3), data on the number of children eligible for the CSG is not available, nor are estimates of the proportion of children aged 0 who live below the upper-bound poverty line. However, among children under-five, 56% live below this poverty line and there are some ineligible (household income too high) children receiving the grant (section 6.3), which suggests that there is further room to improve efforts to ensure the most vulnerable families are aware of and able to access the CSG immediately after birth (chapter 6).

18 Bacille Calmette-Guerin (BCG), three doses each of Diphtheria, Tetanus, and Pertussis (DTAP) and Oral Polio Vaccine (OPV) and one does of the measles vaccine (DoH, 2017).

Table 10 Provision of and access to ECD services

			Estimate
Maternal and child health and nutrition	1	Households with young children with more than 30 min to nearest health facility (2019)	18%
	2	Pregnant women receiving iron supplementation (2016)	90%
	3	First antenatal visit during first 5 months of pregnancy (2016)	79%
	4	Births delivered in health facility attended by trained staff (2016)	96%
	5	First post-natal check-up of newborn within 2 days of birth (2016)	86%
	6	Immunisation coverage (basic vaccinations) for children under-1 (2016)	58%
Family support	7	Births registered within 30 days (2020)	71%
	8	Proportion of all children under-1 that receive the child support grant (2019)	53%
Early learning	9	Estimated average distance to ECD centre for children aged 2-5 (2018)	2.7 km
	10	Children age 5 attending early learning programmes or lower primary (2019)[1]	93%
	11	Children age 4 attending early learning programmes or lower primary (2019)[1]	75%
	12	Children age 3 attending early learning programmes or lower primary (2019)[1]	58%

Source: 1,8,10,11,12 weighted estimates based on GHS 2019 data; 2,3,4,5 DoH (2017); 6 DHS StatCompiler (2022); 7 Stats SA P0305 (2020); 8 SASSA (2020); 9 Moses (2021);

Note: 1) Includes creche, pre-school, day mother/gogo, home-based play group, grade R, primary school and other. 2) Any mode of transport. 3) Indicator 8, receipt of the child support grant, is for all children below age one regardless of grant eligibility status.

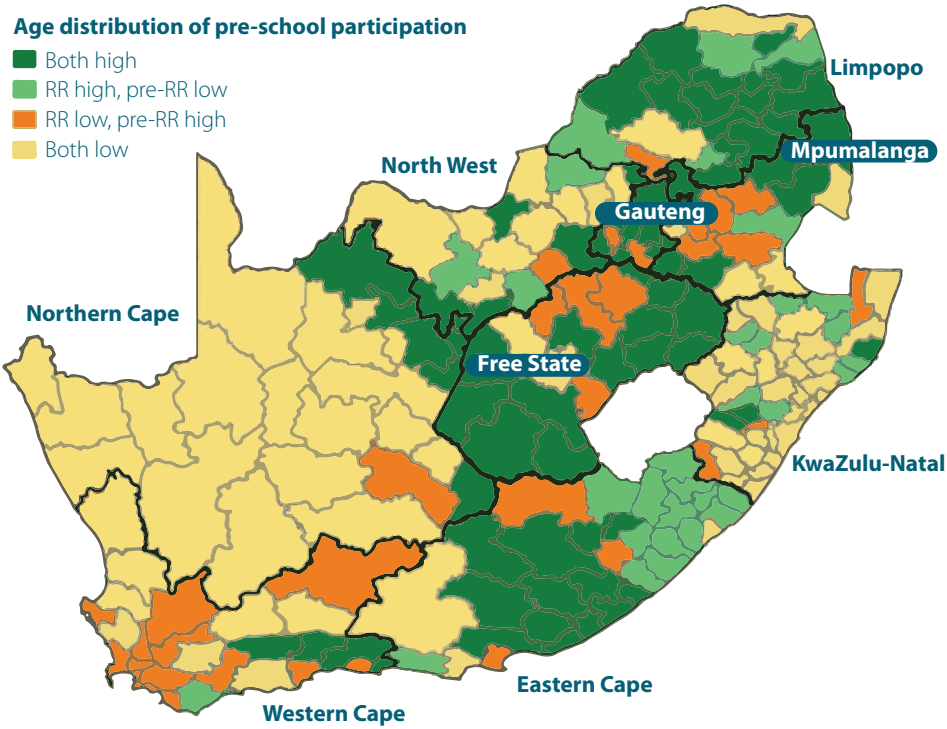
Participation in early learning programmes has risen over time, but children who are poor or live far from an ECD programme remain at a disadvantage. Over the last decade participation in ECD programmes, defined here as crèche, pre-school, day mother, home-based play groups, grade R and the lower grades of primary[19] has increased substantially, by about 15 percentage points for children ages 3, 4 and 5[20], to reach 58%, 75% and 93% respectively in 2019 (Table 10). Most of the increase occurred in the earlier part of the period, in parallel with the expansion of grade R (see Box 4). A recent study examines enrolment in centre-based early learning programmes for children ages 2 to 5 (Moses, 2021) and finds large disparities by socio-economic background and proximity to centres. There is a 30-percentage point difference in enrolment for children from the richest household quintile compared to children from the poorest household quintile. The estimated average distance to an early learning centre is 2.7 km nationwide, but only 1.8 km in urban areas compared to 3.4 km in tribal authority areas (TAAs), and a striking 8 km in farm areas. Unsurprisingly, enrolment rates are low where there is no ECD programme accessible to children in the area they live in (6%), and notably higher in areas where they are accessible (59%). These findings underline the importance of targeting support to children from poorer households, and the need for interventions to facilitate establishment of ECD programmes in under-served areas.

19 A group of children start grades 1 and 2 early.
20 Weighted estimates based on GHS 2009, 2014 and 2018 data.

Grade RR and pre-grade RR participation varies significantly between municipalities, a majority of those with low participation in both levels are located in KwaZulu-Natal and Northern Cape. Given the Government's prioritisation of expanding grade RR, a critical question is whether participation patterns by age differ across the country. Figure 11 places local municipalities into four categories depending on whether, the participation of children of age 4 is relatively high or relatively low, and whether the participation of children ages 0 to 3 is relatively high or relatively low. The cut-off used in both instances is the median municipality: the median for age 4 is a 78% level of participation, while the median for ages 0 to 3 is a 34% level of participation. In 32 of the 213 municipalities, those marked 'RR low, pre-RR high', participation in pre-schooling below grade RR is relatively high while participation in grade RR is relatively low. Note that this does not mean that grade RR participation is lower than pre-grade RR participation in absolute terms[21]. The 'RR low, pre-RR high' areas of the map could be a reflection of inequality across households: better off households are strongly inclined to enrol their children from a young age, while poorer households struggle to enrol children of any age in pre-school. It could also reflect weaknesses in the public funding system when it comes to prioritising grade RR. In another 75 municipalities labelled 'Both low', pre-grade RR and grade RR participation are both low. Public funding should clearly prioritise all parts of the country where grade RR participation is low – the last two categories (orange and yellow) in the map indicate where this need is greatest.

21 Such a situation exists in just one Northern Cape district and could be driven by the sampling.

Figure 11 Pre-school participation distributed by age groups 2016



Source: Community Survey 2016 microdata.
Note: 1) Geographical units are local municipalities. 2) 95% confidence intervals per municipality are relatively wide, around 13 percentage points for the median-sized municipality (for instance 160% to 173%). 3) The survey question used is worded as follows: 'Is [name] currently attending an educational institution?'. This question is asked for children of all ages, down to age zero.

Box 4 Grade R enrolment rose substantially after the introduction of the White Paper on ECD

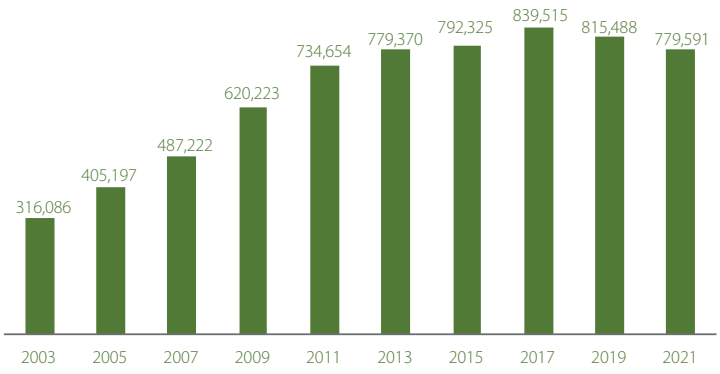
Government efforts to expand access to grade R have been notable in the last two decades. In 2000, the Government introduced the Education White Paper 5 on Early Childhood Development, which aimed for the full participation of 5-year-olds in a reception pre-school grade (grade R) by 2010. The policy also called for an improvement in programme quality and professional development for teachers of children ages 0-9.

Enrolment in grade R in ordinary public and independent schools more than doubled from about 316,000 in 2003 to nearly 735,000 in 2011[22] (Figure 12). It then increased slowly until 2017 and reached 816,000 in 2019 and then declined to just below 780,000 during the COVID-19 pandemic. Effects of the pandemic on grade R participation are discussed below (Box 5).

The grade R policy targeted poorer areas, since in richer areas, parents already self-financed pre-primary education to a large extent. A study on the impact of the introduction of grade R on learning outcomes has shown that having attended grade R caused improved achievement in the Annual National Assessments in later grades, and that the effect size did not diminish for later grades (Van Der Berg, 2013).

Despite this success in raising overall national outcomes, the impact of grade R expansion was negligible amongst schools in some of the weaker performing provinces, and there was virtually no measurable impact for the bottom three school quintiles, compared to some impact for the higher quintile schools. This may indicate that a lower quality of grade R was provided in lower quintile schools during this period. However, since then, there have been important interventions to improve the quality of grade R, such as the introduction of new grade R workbooks (DBE, 2019). Therefore, the earlier observed gap in performance on the Annual National Assessments is likely to have been reduced.

Figure 12 Learners enrolled in grade R (ordinary public and independent schools) 2003-2021



Source: DBE School Realities various years.
Note: Excludes learners at stand-alone ECD sites and special schools.

22 Grade R is primarily provided in public primary schools but also in some ECD centres.

Many caregivers do not engage with their children in activities considered essential for early stimulation. Evidence on early stimulation in the home environment in South Africa is limited, but what exists, indicates relatively limited early stimulation at home, which puts children at a disadvantage in terms of subsequent learning, and as adults, employment outcomes. In 2018, among caregivers, 47% reported never reading and 35% reported never telling stories to their child despite these activities being key activities of early stimulation. Other essential forms of engagement such as counting or parents/caregivers speaking with the child were also relatively rare (Statistics SA, 2018). A small study of children around age five[23] attending playgroups and ECD centres in Free State, KwaZulu-Natal, Mpumalanga and Western Cape in 2018, had similar findings (Innovation Edge, 2020). Across the different types of programmes, 32% of caregivers reported that their child was never read to (32%), never told a story (33%) and never sung to (53%) during the previous week. One reason for this uncovered by the study, was that caregivers tend to spend very little time with their child(ren), with just over 70% reporting they had two hours or less to spend with their child during the week and similarly for the weekend. These findings are for caregivers of children who are around five years old; the situation may be different for younger children for whom early stimulation at home is even more important, but there is no evidence on this for South Africa.

3.3 Quality of ECD programmes

Given the amount of time children spend in ECD programmes (multiple hours every day) and what the international evidence suggests on the importance of specific aspects of quality of such programmes, this section focuses on key factors that affect the quality of services provided by ECD programmes in South Africa.

The quality of an early learning programme depends on structural, process and system elements as shown below (Bendini and Devercelli, 2022). All five categories should be considered as part of an integrated approach, with each category supporting the others.

Structural quality is typically the easiest aspect of quality to be defined, measured and regulated, covering, for example, staff to child ratios, group size and physical infrastructure.

Process quality is generally harder to define and measure and has three aspects:

- *Programme quality* refers to the content, design and delivery of programmes and includes the, materials, duration and intensity of the programme and strategies for community and parent engagement.
- *Workforce quality* is concerned with the qualifications, experience, competencies and conditions of employment for ECD practitioners.
- *Interactions quality* reflects the social, emotional and physical interaction the child has with teachers, peers and materials on a daily basis.

23 There were 482 children at baseline, at the endline, 327 parents and caregivers were interviewed due to attrition.

System quality refers to the overall system in which early learning services are delivered. Key aspects to consider are financing; information systems; quality assurance systems; and the knowledge and capacity of school leaders to support quality early learning.

The South African Children's Act 2005 (and the 2010 accompaniment) sets out norms and standards for ECD programmes as well as guidelines for inspections (section 5.1). Until 2022, data to allow for assessment and monitoring of the quality of childcare and early learning programmes was limited, and mainly came from the sample-based 2013 ECD Audit. During 2021 two major efforts were undertaken to help address this data gap. The *Thrive by Five Index Survey* was conducted, which measures young children's growth and development (Box 3 and section 3.2) and DBE conducted a census of ECD programmes in the country. The remainder of this section uses the 2021 Census data to examine some aspects of structural and process quality in ECD programmes in 2021. The analysis below focuses on selected indicators because the comprehensive report by DBE based on the 2021 Census was about to be published at the time of writing.

The 2021 ECD Census identified 42,420 ECD programmes in the country that together enrol close to 1.7 million children, it should be noted that this number is much lower than the 2.2 million children estimated to attend ECD programmes using GHS data[24]. Among the programmes (for which the required data is available) 33% report receiving the ECD subsidy. On average, programmes are open five days per week[25], and this is similar for subsidised and unsubsidised programmes, but the latter are on average open one hour longer per day. Based on the number of registered children, subsidised programmes tend to be larger, they have on average 54 children compared to 33 for programmes that do not receive the subsidy.

The large majority of ECD programmes are housed in conventional buildings, but a group of them are housed in shacks and shipping containers unsuitable for their purpose. Overall, 86% of programmes are housed in conventional buildings, 88% have access to safe drinking water on site, 95% have a fence around the premises and 82% have an outdoor play area. Differences between subsidised and unsubsidised programmes are relatively small, except that subsidised programmes are notably more likely to have an outdoor play area (93% compared to 76%). Among programmes not housed in a conventional building, most are in informal housing/shacks, and some are also in shipping containers, which would not be considered suitable for providing early learning services. This indicates the urgent need for provinces to provide support to ECD programmes for infrastructure upgrades, and also to make suitable facilities available in under-serviced areas (sections 4.1 and 5.1).

24 Possible reasons for this include that the ECD Census was conducted during the COVID-19 pandemic, meaning that some programmes had closed down (at least temporarily) and that many families kept their children at home during the fieldwork period, resulting in lower enrolment numbers. But further careful exploration is required to better understand the reasons for this difference.

25 More than 99% of programmes are open five days or more.

The average child to staff ratio compares well to international norms but there is a large group of programmes with much too high ratios. The average child to educational staff ratio is 15:1 based on registration26, where staff includes managers who do some teaching, grade R educators27 and ECD practitioners28 (Table 11). On average, this is similar to international best practices that typically suggest no more than 15:129, and compares favourably for the top decile of programmes that have a ratio of 7:1 or lower. However, the bottom quartile of programmes has a child to educational staff ratio of 19:1 or higher, and for the bottom decile it is 26:1 or higher, indicating that these programmes are severely under-staffed, and even more so if they cater to very young children. There are also large provincial differences, with ratios on average being most favourable in Gauteng (12:1), Western Cape (13:1) and Northern Cape and North West (each 15:1), and least favourable in KwaZulu-Natal (18:1) and Eastern Cape. (19:1). Under-staffing among the bottom decile of programmes is most severe in KwaZulu-Natal (at 31:1 or higher) and Eastern Cape (32:1 or higher). The average child to educational staff ratio in programmes that receive the ECD subsidy is higher than in non-subsidised programmes, as would be expected given their generally larger size.

A majority of programme staff have less than a NQF level 4 qualification and programmes have a shortage of play materials, this affects the quality of services provided. In the average programme 36% of staff have a NQF level 4 qualification or higher which is the level required for gold status as per the ECD Registration Framework (section 5.1). This proportion is somewhat larger in programmes that receive the subsidy relative to those that do not (40% compared to 34%). A major cause of concern is that only 63% of programmes have ten or more play materials out of a list of twenty categories with multiple items each, for example, any kind of books including ones made by an ECD practitioner, or materials for counting such as bottle caps, dice, beads, rocks, or an Abacus. There is a very large difference in the availability of play materials, with 74% of subsidised programmes having ten or more but only 58% of unsubsidised programmes. This points to an urgent need to expand training for ECD practitioners and to provide support for some programmes to acquire play materials.

26 This ratio is obtained after excluding programmes for which the reported number of total staff is less than the total number of managers who teach, educators and ECD practitioners. All child to educational staff ratios are child weighted.

27 Grade R educators have either a Bachelor of Education degree (B.Ed.) or non-educational Bachelor's degree combined with a one-year Postgraduate Certificate in Education (PGCE), and at the point of qualifying, are required to register with the South African Council for Educators (SACE).

28 "A person who provides ECD services through formal ECD programmes, family services and playgroups and training, as well as those providing management support services to these workers" (NIECD Policy, 2015: 11).

29 Drawn from the World Bank's SABER-ECD Framework of 15:1 (Neuman and Devercelli, 2013) and the US National Association for the Education of Young Children (NAEYC) recommendation of max 10:1 for children ages 3 to 5 (NAEYC, 2021).

Table 11 Selected structural and process quality factors for ECD programmes 2021

	All	DSD subsidy	No DSD subsidy
Child to educational staff ratio[1,2]	15:1	17:1	14:1
Staff with NQF level 4 or higher (%, programme average)	36%	40%	34%
Staff with NQF level 6-9 (%, programme average)	6%	4%	7%
Ten or more different play materials available (% of programmes)	63%	74%	58%

Source: Calculations based on South Africa ECD Survey 2021.

Note: 1) Child weighted. 2) Educational staff is defined as managers who teach, grade R educators and ECD practitioners. 3) Excludes 1,045 ECD programmes where the total staff count is less than the total number of managers who teach, grade R educators and ECD practitioners.

Box 5 The COVID-19 pandemic effects on child hunger and ECD programme participation

There is a lack of data on child development outcomes in South Africa which limits the measurement of the impact of the COVID-19 pandemic on young children30. Nonetheless, there is strong reason to believe that the pandemic has had detrimental effects on child development outcomes based on evidence emerging from other countries such as Bangladesh, Brazil, Chile, Rwanda and Uruguay, and the observed effects of the pandemic on hunger and ECD attendance and enrolment in South Africa.

The National Income Dynamic Study-Coronavirus Rapid Mobile Survey (NIDS-CRAM) is a nationally representative survey of individuals which collected data every few months on key outcomes including child hunger and ECD attendance over one year of the COVID-19 pandemic (2020 to 2021).

Child hunger in South Africa rose dramatically during the pandemic. Estimates based on the NIDS-CRAM Survey and the General Household Survey, show that child hunger almost doubled from 8% in 2018 to 15% in 2020.31

Estimates based on NIDS-CRAM data show that ECD programme attendance dropped significantly as a result of hard lockdowns in South Africa. In February 2020 (pre-pandemic), among adults living with children younger than six, 39% reported their child(ren) attending an ECD programme, this dropped to 5% in June 2020 and recovered slightly to 7% in February 2021. This severe decline in attendance is corroborated by enrolment trends from the South African Quarterly Labour Force survey, especially for children ages 3 to 4. These declines in attendance and enrolment represent a sharp disinvestment in this cohort of children with negative effects on their school readiness.

However, there has been a recovery with 36% of NIDS-CRAM respondents reporting that a child aged 0 to 6 was attending an ECD programme in April 2021, close to the 39% in early 2020. But while provinces such as the Western Cape report recovery relative to pre-pandemic levels, some provinces still lag behind.

Source: Statistics South Africa 2020 and 2021; Van der Berg et al. 2020 and 2021; Wills and Kika-Mistry 2021; World Bank 2022.

30 The recent *Thrive by Five* survey (2022) provides insights into child development outcomes, but only for children ages 4 to 5 years who attend an ECD programme, while there is no data on child development levels for younger or for those not attending any such programme.

31 The questions on child hunger in the GHS and NIDS-CRAM are not directly comparable. NIDS-CRAM asks whether a child in the household has gone hungry in the past seven days, compared to the past year for the GHS. Van der Berg et al. (2020) convert questions on child hunger in the past year to child hunger in the past week.

4. Sources of funding and financial data for ECD

This chapter explores the main public funding sources for ECD and describes the financial data used for the expenditure analysis.

4.1. Main funding sources

Section 214(1) of the Constitution requires that a Division of Revenue Act (DORA) determine the equitable share of revenue raised nationally between national government, the nine provinces and 257 municipalities. The DORA provides for: the equitable division of nationally raised revenue among the national, provincial and local spheres of government for each financial year; the determination of each province's equitable share; and allocations to provinces, local government and municipalities from the national government's equitable share (Division of Revenue Bill, 2021). According to the Intergovernmental Fiscal Relations Act (Act 97 of 1997), the Financial and Fiscal Commission (FFC), which is an independent body, proposes a division of revenue ten months before the new financial year. This is submitted to the Budget Council32 before proposing a division of revenue for consideration by Cabinet.

In the 2021 financial year, the nationally raised revenue was distributed as follows (Division of Revenue Bill, 2021):

- National share 67%, which includes conditional allocations to provincial and local levels of government and other costs and allocations.
- Unconditional provincial share 29%.
- Unconditional local share 4%.

National government decides on the unconditional vertical allocation: how much of the share of nationally raised revenue is allocated to each of the national, provincial and local spheres, and this is largely determined based on historical expenditure plus new mandates.

The equitable share

This is divided among the nine provinces (horizontal allocation) according to a formula which is intended to reflect demand for services, provincial pressures, changes in demographics and poverty status. The formula is comprised of six weighted elements. In 2021, the weights for each element were as follows: education – considers the size of the school-aged population and number of children enrolled (48%); health – based on each province's risk profile and health system caseload (27%); basic – derived from each province's share of the national population

32 The Budget Council is made up of the Minister and Deputy Minister of Finance and their advisors, the Director-General of National Treasury, and provincial Members of the Executive Committee (MECs) of finance.

(16%); institutional – distributed equally across provinces based on costs of running provincial administration (5%); poverty – based on income data which reinforces the redistributive bias of the formula (3%); and economic activity – determined based on regional GDP (1%). The formula is reviewed continuously, and data is updated every year and a new target share for each province is calculated.

There is little room to allocate more of the equitable share to ECD services. In theory, provinces have substantial decision-making autonomy when allocating funds from their equitable share across different departments. Equitable share funds may be earmarked for a specific purpose, for example, for the provision of child support grants. But in practice, basic education and health expenditure constitute the bulk of expenditure, and salaries are agreed in a national bargaining forum. As a result, there is very limited scope for provinces to cut that expenditure to allocate more to ECD services.

Conditional grants related to ECD

Conditional grant allocations to provinces are used by the national government to earmark funding for specific initiatives which risk being under-prioritised at the provincial or local level. These funds have conditions attached to them: they must not be used for any other purpose other than that initially intended. Conditional grant funding is used to supplement the funding of programmes or functions funded from provincial/local budgets; specific-purpose allocations to provinces/local government; allocations-in-kind to provinces for designated special programmes; and for immediate responses to disasters or emergencies.

There are four main conditional grants related to the provision of ECD services:

- Early Childhood Development (ECD) Conditional Grant.
- Education Infrastructure Grant (EIG)
- Municipal Infrastructure Grant (MIG)
- Expanded Public Works Programme (EPWP) Social Sector Incentive Grant

The **ECD conditional grant** was introduced in the 2017/18 financial year with the intention of increasing the number of poor children accessing subsidised ECD services through centre and non-centre-based programmes (section 5.4), by supporting providers to deliver programmes that meet basic health and safety requirements for registration and piloting the construction of new low-cost ECD centres. The receipt by a province is conditional on there being no reduction in the level of expenditure on this service outside the grant (section 5.4). This grant was administered by DSD through PDSDs until the function shift to DBE in April 2022.

In 2021/22, the FFC recommended that priority should be given to funding non-profit and non-centre-based ECD programmes in poor communities and that registration requirements should be simplified. The FFC further recommended that support for these non-profit programmes should focus on infrastructure upgrades to enable centres to register. The Government has taken these recommendations into consideration through the ECD conditional grant which has an ECD programme subsidy component and an infrastructure component. The *subsidy*

component is for fully and conditionally registered centres and eligible non-centre-based ECD programmes. The *infrastructure component* may be used for the following activities: for unregistered centres to undertake minor infrastructure maintenance works to enable them to upgrade their registration status; enable conditionally registered centres to do minor infrastructure maintenance works and upgrades to improve their registration status; for the construction of low-cost ECD centres where existing infrastructure needs to be replaced or to meet demand in under-served areas; or facilitating the supply of essential goods to registered ECD sites to prevent the spread of COVID-19 and meet health and hygiene requirements.

There is reportedly under-performance of the infrastructure component of the ECD conditional grant. The reasons for this include delays in supply chain management processes for the appointment of contractors, limited number of suitable providers for ECD maintenance projects, and late conclusion of Service Level Agreements between PDSDs and ECD centres (NCP, 2018). In addition, the maximum grant amount is considered insufficient in some instances, compared to high quotations received from contractors. In the 2016 Explanatory Memorandum to the Division of Revenue, the national government responded that in the absence of clarity around the functional arrangements and law regarding expenditure on non-state assets, in this case, privately owned ECD centres, limits government's options in providing an effective capital subsidy for ECD facilities (National Treasury, 2016). This helps explain why the conditional grant amount for ECD infrastructure is small.

The **EIG** is administered by DBE and provides supplementary funding for on-going infrastructure programmes in provinces, including the maintenance of existing infrastructure and building new infrastructure to ensure that school buildings meet required norms and standards. This is particularly relevant for grade R classrooms in public primary schools.

As a whole, municipalities are using a tiny fraction of the value of the MIG for ECD infrastructure. The MIG is administered by the Department of Cooperative Governance and Traditional Affairs (COGTA) and provides public funding for investments in infrastructure to improve access to municipal infrastructure for the poor. It can support among other things, ECD centre improvements, upgrading of community buildings for ECD services and new construction as required, but currently expenditure on ECD infrastructure through the MIG is minimal (Box 10) because municipalities with limited budgets prioritise basic services such as water, sanitation and roads.

In practice, the EPWP social sector grant is infrequently accessed by provincial social sector departments. The EPWP grant is transferred by the Department of Public Works and Infrastructure (DPWI), which rewards provincial social sector departments (PDoEs and PDSDs) for creating jobs in the preceding financial year, with one of the identified areas being ECD. Although the grant is helpful during the training period and provides stipends to ECD practitioners undergoing training, many EPWP trained staff tend to leave the system after a few years. Key informant interviews in KwaZulu-Natal indicate that EPWP funds were used to train ECD practitioners in the previous financial year to obtain a NQF level 4 qualification, but

this source of funding was not accessed for training in the upcoming financial year. The trained practitioners also received a stipend to participate in the training, and after two years, left the system because the incentive to stay on as a practitioner was not strong enough. In the Western Cape, the grant amount tends to fluctuate, making it difficult for provincial departments to plan for training.

Other funding sources

To mitigate the effects of the national lockdown and the COVID-19 pandemic on employment, income and food poverty, the national government introduced temporary social relief measures. In October 2020, DSD established the Employment Stimulus Relief Fund (ECD–ESRF) supported by the Presidential Employment Stimulus, which sought to subsidise the cost of employment for ECD programmes regardless of registration status, in response to income losses experienced during the pandemic. ECD programmes were required to apply for this once-off funding of around R4,200 per employee with specific timelines in place (DSD, 2021a). After applications had closed for the ECD-ESRF in February 2021, the DSD had validated applications for a total of 116,578 employees (DSD, 2021b).

There were several challenges reported in providing emergency COVID-19 relief through the ECD stimulus package. The funds allocated to provinces were not spent. The process was not coordinated with applications taking place at the national level (providers were required to apply through the Central Supplier Database) but payments were being administered by provinces. It also provided a pragmatic approach to funding applications for the sector with no not-for-profit organisation (NPO) registration required which is normally needed to access public funding (section 5.1). Despite delays in payments and challenges with verifying applications, this initiative by the Government should be lauded. It acknowledges the importance of both registered and unregistered centres in providing early learning services (Wills and Kika-Mistry, 2021).

International development assistance to South Africa (an upper-middle-income country) is very low. To illustrate, in the education sector this comes to just 0.2% of total government expenditure[33]. Nonetheless, international assistance tends to be focused on strategically very important research and piloting work, such as in the area of early grade reading, making it a significant feature of the sector. However, below grade 1 international funding is arguably insignificant. What is larger than international development assistance albeit still small, is local corporate social investment (CSI) by actors such as DG Murray Trust, FNB and Hollard/Yellowwoods, which in the education sector as a whole has come to around 1.1% of public expenditure[34], and with respect to early learning to about 5.5%.

33 Derived from United Nations Educational, Scientific and Cultural Organization (UNESCO) (2020: 411).
34 Derived from Trialogue (2021: 111).

4.2. Financial data used for this review

Publicly available financial data underpin most of the analysis presented in this review. The analysis in chapters 5, 6, 7 and 8 uses financial values as they stood with the release in 2021 of key national and provincial statements, essentially the national *Budget Review*, the national *Estimates of National Expenditure* (ENE) and the provincial *Estimates of Provincial Revenue and Expenditure* (EPREs). This means financial values to the end of the 2019/20 financial year, which ended in March 2020, are final audited figures. Values for 2020/21 are preliminary estimates of the actuals for that year, and values for 2021/22 are budget figures. Expenditure trends discussed in the review reflect 2021/22 Rand values, with an implied GDP deflator based on Treasury publications used to adjust pre-2021/22 values to 2021/22 prices.

For the provinces, expenditure breakdowns by economic classification below sub-programmes are not available in the published EPREs but have been available since 2020 in the new format of National Treasury's Excel version of the EPREs. The relevant Excel files are published on the National Treasury website. To enable further deepening of the analysis, the National Treasury provided financial data disaggregated below the level seen in published reports and spreadsheets. The status of those financial data within the budgeting and auditing cycles would be the same as for the published figures.

Analysis of local government financial data was very limited. This is in part because local governments currently play a relatively small role in budgetary terms in delivering services to young children. Moreover, services directed at children are not easily identifiable in the unified database of local government finances maintained by National Treasury, *the Municipal Finance Data Tables*. This is not to say that examining expenditure on children by this level of government is unimportant. Certain administrative processes, such as the quality assurance of the physical facilities of ECD centres, fall within the ambit of local government and such processes require budgets. In future, more analysis of the role of local governments should occur.

International comparisons of public expenditure on ECD services could provide some useful insights but are not included in this review because of the lack of data to generate comparable expenditure statistics across relevant countries. This is because few countries are able to report on public expenditure on ECD in a holistic manner due to the multi-sectoral nature of ECD. Even for ECD interventions by a specific sector, comparable expenditure statistics are difficult to produce due to differences in the ages of children targeted and types and duration of ECD interventions across countries, in addition, to a shortage of robust, sufficiently detailed expenditure data for many middle-income countries, South Africa being an exception. Some international databases include indicators for certain expenditure relevant to ECD, for example, public expenditure on pre-primary education as a percentage of GDP but these statistics tend to not reflect the underlying country differences mentioned earlier and can in some cases be more misleading than informative.

Box 6 Main data sources used for this review (financial and non-financial)

Financial

- Basic Accounting System (BAS) detailed data extracts November, December 2021.
- Estimates of national expenditure (ENE) various years.
- Estimates of provincial revenue and expenditure (EPRE) various years.
- Medium Term Budget Policy Statements various years.
- South African Social Security Agency (SASSA) statistical reports various years.
- Stats SA Consumer Price Index series, January 2022.

Non-financial

- Community Survey (CS) 2016.
- DBE ECD Census 2021.
- DBE Education Management Information System (EMIS) extract 2021.
- Demographic and Health Survey (DHS) 2016.
- General Household Survey (GHS) various years.
- Living Conditions Survey (LCS) 2014-15.
- Stats SA 2021 Mid-Year Update of Population Estimates (MYPE).
- Thrive by Five Index Survey 2021.

Databases

- Children's Institute, University of Cape Town: Statistics on Children in South Africa.
- UNICEF, various datasets for international comparisons.
- World Bank Open Data for international comparisons.

5. Early learning

The purpose of the first part of this chapter is to identify key factors that block the establishment of new ECD programmes; hinder existing programmes from registering; and restrict service providers' ability to operate effectively. The second part examines the flow of funds and presents the analysis of expenditure on the early learning interventions: overall, for specific interventions and provincial differences as well as analysis of main cost drivers. It concludes with a discussion of household expenditure on early learning services, and how this compares to public expenditure.

Box 7 Key adequacy, efficiency and equity issues for public expenditure on early learning

Adequacy

- There is inadequate expenditure on the ECD subsidy to cover all eligible children leading to subsidy rationing by provinces and providers. The ECD subsidy and the CSG target poor children using similar means-based tests to determine eligibility, and in 2019/20, close to 1.6 million children ages 4-5 received the CSG but only 626,574 children in the age range 0 to 5 received the ECD subsidy (subsidy beneficiary data by single age not available). This means that at most only 40% of eligible children ages 4 and 5 received the subsidy, whether attending an ECD programme or not.
- The current ECD subsidy amount of R17 per-child per-day is insufficient to cover the estimated minimum cost for operating a basic ECD programme of R31 per-child per-day.
- Expenditure on ECD programme infrastructure is insufficient given that many facilities do not comply with the basic infrastructural requirements.
- The average remuneration for ECD practitioner is lower than the national minimum wage contributing to high practitioner turnover, and expenditure on training for ECD practitioners is insufficient.

Efficiency

- Overly complex application processes to register as an ECD programme and difficulties in complying with municipal bylaws and infrastructure requirements disincentivises establishment of new ECD programmes. In addition, registered programmes need to re-register every five years.
- ECD programmes face difficulties applying for and claiming the ECD subsidy. In addition to partial care and ECD programme registration, providers need to register as an NPO to receive the subsidy. Once approved, providers need to claim the subsidy monthly based on child attendance, which varies whereas many provider costs are fixed, and expenditure receipts and documentation for different categories of funding must be submitted.
- Despite the greater returns to investing in younger children in terms of individual and national education, health and productivity gains, ECD programmes, although they enrol approximately double the number of children in grade R, account for less than half of total expenditure on the early learning interventions, making clear the considerable under-funding of ECD programmes.

Equity

- Poor children and those in non-urban areas are less likely to attend ECD programmes. There is a 30-percentage point difference in enrolment in ECD programmes between children from the richest and poorest quintiles of households, and while children in urban areas travel on average 1.8 km to an ECD programme, those in a Tribal Authority Area need to travel 3.4 km and those in farm areas a striking 8 km.
- Participation in ECD programmes varies significantly between municipalities, with a majority of those with low participation for ages 3 and 4 located in KwaZulu-Natal and Northern Cape provinces, underlining the need for improved targeting of expenditure to address geographical disparities in participation.

5.1. Registering as an ECD programme and applying for the ECD subsidy

The registration system for ECD programmes is one of the biggest challenges to ensuring adequate and equitable access to quality early learning services. Without registration, service providers cannot access subsidy funding, but the registration requirements are not well understood and are difficult for providers to comply with. This leads to many programmes remaining unregistered (see below). It also disincentivises the establishment of new ECD programmes (BRIDGE et al., 2020). The unintended consequences are that a large number of children are left out of the system, and that many of those who are in it, are in unregistered settings that often serve the poorest families.

Up to three different types of registration are required for ECD programmes and registration is not applied consistently across provinces. According to the 2005 Children's Act, all entities providing ECD services to children from birth to school-going age must apply for *ECD programme registration*. Providers with more than six children that operate more than 16 hours per week (or more than four hours per day) must also obtain *partial care registration*. In addition, while not stipulated in the Children's Act, some provinces have chosen to make registration as a *non-profit organisation* (NPO) compulsory to access the ECD subsidy. Given that an effective system to assure the quality of ECD programmes currently does not exist, the NPO registration can help but is not sufficient to ensure public funding to expand and raise the quality is used as intended. In practice, some provinces require dual registration (ECD programme and partial care facility) while others only require partial care registration, and there are variations in the frameworks used by provinces to assess norms and standards. The Second Amendment Bill for the Children's Act (forthcoming) is expected to develop a more streamlined process for registration combining the ECD programme and partial care registrations. The Government may also consider simplifying the NPO registration35. The need to renew the ECD programme and partial care registrations every five years requires substantial effort of both providers and officials. If an effective quality assurance mechanism for ECD programmes existed, it could negate the need for registration renewals as a means to ensure quality. DBE and DSD

35 NPO registration is not required by the Children's Act (2005).

in partnership with Ilifa Labantwana are currently developing a Quality Assurance and Support System (QASS) which will help address some of these issues (section 9.4).

The requirements for the different types of registration are time consuming and expensive to comply with and require interactions with multiple departments at different levels. Almost 20 different documents are required for the ECD programme and partial care registrations (Table 12). Providers must interact with the national level for the Child Protection clearance and with local government to comply with the municipal bylaws, which include building plans, an environmental health certificate or inspection report (requires a site assessment), and land zoning requirements. Providers then interact with provincial officials for the remaining pieces of documentation. The cumbersome registration processes are reflected by the fact that among the 38,000 ECD programmes covered by the 2021 Census and that reported their complete registration status, 48% had an ECD programme registration; 57% had a partial care registration; and 46% had both36. This is seemingly an anomaly as ECD programme registration is required for all providers whereas partial care registration is only required for centre-based providers but is likely due to many providers not being clear on which type of registration(s) they have. Among the ECD programmes, 68% were registered as NPOs which is required in most provinces to apply for the ECD programme subsidy. However, around 3% of programmes report receiving the subsidy despite lacking this registration (DBE, 2022).

36 The 2021 Census is likely to under-represent small ECD programmes, just over 2% of those covered by the Census have five or fewer registered children.

Table 12 Documents required to register as an ECD programme

	Required documents
ECD programme registration	• Form 16 Application for Registration as an ECD Programme • Particulars/overview of the programme • Implementation plan • Certified ID copies of the applicant/supervisor and staff • Partial care certificate if more than six children for more than 16 hours per week or 4 hours per day
Partial care registration	• Form 11 Constitution (NPO and private) Application for Registration as a Place of Care • Business plan discipline policy • Management structure (committee members/management of the centre) for NPO and private • Attendance register (copy) • Certified identity (ID) copies of all committee members/management structure and staff • Daily menu (if applicable) • Environmental Health certificate or inspection report (if in possession of this) • Emergency Plan • Copy of building plans (except mobile ECD programmes)
ECD programme & partial care registration	• Day-care plan/Daily routine • Staff composition • Clearance certificates in terms of Part B of the National Child Protection Register established by Part 2 of Chapter 7 of the Act • Lease agreement/Permission-to-occupy/Title deeds (except mobile ECD programmes and home visits) • Evidence of qualifications or education level for applicant/supervisor and staff

Source: Vangasali Guidelines at www.nelsonmandela.org/uploads/files/Vangasali-Guidelines-Registration-Final-english.pdf

Since 2020, the Vangasali campaign, established by the Nelson Mandela Foundation and Impande (a non-profit organisation in KwaZulu-Natal) in partnership with DSD, has been identifying ECD programmes nationally and supporting their registration. Phase 1 collected data and identified thousands of programmes, most of which were unregistered. Phase 2 is focusing on providing support to providers and officials to increase registration, by guiding them through a re-engineered registration process. Implementation is in progress across all provinces and an increasing number of districts[37]. The support includes:

37 Key informant interviews.

- **Extensive application packs** clarifying the registration requirements, including the key forms, and providing useful templates to help providers put together, for example, business plans and daily routines.
- **Registration jamborees** to connect directly with applicants, capture information, answer questions and set dates for submission of the forms and follow-up.
- **Registration management tool for officials** as tracking and processing of applications is hindered by complex and burdensome processes for officials, using an almost-entirely paper-based system and insufficient training at provincial levels to navigate the system. The Vangasali campaign is piloting an online registration management tool to store details of services, track registration progress, capture how the services are performing against each of the standards of the ECD registration framework and report on key issues. It includes a dashboard to inform DSD and PDSDs of ongoing progress and training on the tool and roll out is in progress.

DBE officials are being trained on Vangasali and there seems to be appetite to continue to implement it[38].

Conditional registration status is applied differently across provinces. Following the compilation of the required documentation and application submission, a site visit is conducted by provincial officials for an assessment of the programme against the ECD registration framework standards (Table 13). If the application is successful, the programme receives either 'full registration', or 'conditional registration' if there are issues that need to be addressed to meet the requirements for full registration. The conditional registration status was included in the Children's Act (2005), but the requirements were not specified and currently provinces use different frameworks for assessment of whether programmes meet the registration framework standards. As a result, the registration status of different providers is not fully comparable nationally (Ilifa Labantwana, 2020). A pilot for a new ECD registration framework, developed by DSD in conjunction with civil society and DoH, is helping to standardise the conditional registration process. Gold status is for complete compliance with the standards and full registration, while silver status (improved compliance) and bronze status (minimum compliance) confer conditional registration. In the event that an existing unregistered programme does not meet the minimum requirements for bronze, it is issued either with a compliance notice from the department whose standards have not been met, which is valid for three months, or if there is threat to child safety, a notice of enforcement and an order to stop operations is issued.

38 Information on the Vangasali Campaign comes from key informant interviews and https://www.nelsonmandela.org/vangasali

Table 13 Example of ECD registration framework bronze (lowest) standards assessed during DSD site visit

Red text = commonly cited infrastructure/structural issues. Blue text = commonly cited smaller issues. ECD programme registration	
Qualification, skills, and training required for ECD programmes	• Supervisor or lead practitioner have either basic training in ECD or 1 year experience of working with children • Adult supervision of children at all times • Staff have basic information to recognize serious illnesses and how to deal with them • Staff-to-child ratios, 1:6 for ages less than 18 months, 1:12 for ages 18months – 3 years; 1:20 for ages 3-4, 1:30 for ages 5-6
Caring for children in a constructive manner and providing support and security	• Appointed supervisor that oversees the quality of staff • Programme appropriate to the developmental stages of children (toys and resources available and accessible, activities for different groups, opportunities to explore, space to move, time allocated for free play) • Appropriate discipline • Appropriate safe and hygienic toilet facilities and handwashing • Adherence to policies, procedures and guidelines for health, safety, and nutrition (including basic first aid kit, lack of hazards, safe and weatherproof structure, basic fire control equipment – bucket of sand) • Practices to prevent spread of contagious diseases • At least one meal per day must be provided and should meet nutritional requirements of children
Provision of appropriate developmental opportunities	• Daily programme, including different activities
Programmes aimed at helping children to realise their full potential	• Children must receive care, support, and security (evidence practitioners care for and spend time with children, interacting with children with kindness and respect, children show familiarity with daily programme) • Provision of a stimulating environment (art and posters on the walls, accessible toys, time for indoor and if possible outdoor play, time and surfaces for children to rest/sleep, • Programmes must be evaluated and monitored • Programmes must promote and support development of motor, communication, and sensory abilities in children (communicating and talking to children, activities to develop language and communication skills) • Activities must promote free communication and interaction among children

Red text = commonly cited infrastructure/structural issues. Blue text = commonly cited smaller issues.	
ECD programme registration	
Ensuring development of positive social behaviour	• Promote development of positive social values and activities to practice helpfulness, kindness and generosity. • Non-discrimination
Respect for and nurturing of the culture, spirit, dignity, individuality, language, and development of each child	• Use one medium of instruction with translations wherever possible to ensure all children understand • Children allowed to communicate in language of their choice outside class
Meeting the emotional, cognitive, sensory, spiritual, moral, physical, social and communication development needs of children	• Ensure parents and caregivers are involved in the development of children (scheduled feedback, records of progress, concerns communicated) • Accessible to especially vulnerable children in their homes
ECD partial care registration	
Safe environment for children	• Safe and weatherproof structure, clean and safe furnishings and equipment, appropriate surfaces for children to sit, sleep and eat on • Safe indoor spaces: free from open water, basic fire control equipment (at minimum a bucket of sand), free from structural hazards, no unprotected deep excavations, no sharp objects, protected from stairs etc. • Children appeared cared for (dry and warm, comfortable, and attended to, sick children adequately attended to), children appear to feel safe (interact with staff and peers, participate in activities, appear comfortable and at ease) • If children play outside then site enclosed, safe distance from hazards, free from litter, open water, structural hazards, etc.
Space and ventilation	• Openings for basic ventilation, unobstructed floor space for children to play freely – at least 1sqm of space for per child
Staff routines and practices	• Staff able to describe procedures including for supervision when a staff member is absent and attending to other children, identifying children who are ill / injured and referred to appropriate services, reporting to families, ensuring medication given out, washing hands, supervision when using the toilet, ensuring bottles are sterilized, raising irregular/ dysfunctional behaviour of children to the attention of parents.
Proper care for sick children or children who become ill	• Access to phone, room assigned/designated to care for ill children, records of relevant medical conditions and allergies, first aid kit, safe and clean drinking water available
Safe drinking water	• Handwashing facilities with fresh water

Red text = commonly cited infrastructure/structural issues. Blue text = commonly cited smaller issues.	
ECD programme registration	
Safe storage of anything that may be harmful to children	• Dangerous items kept out of children's reach (medicine, cleaning substances, sharp objects, paraffin, electrical appliances)
Access to refuse disposal services or other adequate means of disposal	• Waste disposal methods, bins out of reach of children
Drawing up of action plans for emergencies	• Staff able to describe procedures for an emergency, evacuation, easily accessible list of emergency numbers.
Hygienic and adequate toilet facilities	• Safe and hygienic nappy changing area (and procedures), potties for every 10 children under 3 (or reduced size toilet), for children over 3 reduced-size flush toilet if sewage facilities or an appropriate toilet at the premises (or nearby). Toilets clean and safe, adequate toilet paper and soap
Measures for the separation of children of different age groups	• If more than 20 children, children aged 0-24 months are looked after in a partitioned space or separate room
A hygienic area for preparation of food	• Separate area for food preparation, food areas clean, hygienic food practices observed (covered heads, washing hands), perishable foods stored appropriately
Management of partial care facility	• Registers complete with information on children, parents, disability/medical conditions/allergies, staff files, incident register, visitors log
Employment – staff requirements	• Staff able to explain activities with the children, appropriate disciplinary procedures, basic numeracy skills, able to describe principles of ECD and importance of social interaction and play, allow children to communicate in language of their choice.
After care	• After care children looked after in separate space, transport routines that comply with safety measures, safe vehicles and driving practices

Source: DSD (2020) ECD Registration Framework - Partial Care; DSD (2020) ECD registration framework – ECD Programme.

Many ECD programmes remain unregistered due to issues around compliance with municipal bylaws and infrastructure requirements within the ECD registration framework. Despite the progressive ECD registration framework and the lower requirements for bronze status, a large number of providers remain unregistered for two main reasons. First, challenges in complying with the municipal bylaws since obtaining building plans and land zoning requirements have high associated costs (Real Reform for ECD, 2021), and second, challenges in meeting the infrastructure standards. In some cases, town planners need to be hired to determine land zoning requirements. Meeting the requirements of the environmental health and safety certificate are particularly challenging: these requirements vary by municipality and are general requirements not designed with ECD programme provision in mind. There have been some attempts to standardise the environmental health and safety requirements. The National Health Act (61 of 2003), and then national environmental health standards, aimed to create alignment, however, it seems very few municipalities have made revisions to align with these national standards[39]. The standards that pose the biggest challenges for providers to meet seem to include: staff to child ratios; adequate sanitation facilities; enough indoor space for children to play (even with the relaxed standard of 1 square metre per child at bronze level); having a separate space for children; and having an area where children who are ill or injured can be isolated on the premises (see red text in Table 13). There are also a number of smaller blockages to registration that frequently occur and could be resolved more easily. These include supporting ECD providers on how to record key information on children and/or teachers such as ID numbers, emergency contact details, medical conditions and allergies; to acquire basic fire control equipment and first aid kits; and to have a hygienic nappy changing area[40] (see blue text in Table 13).

Many of the specific requirements for bronze status are reasonable compared to standards from other countries, but some infrastructure standards are unrealistic for the current situation in South Africa. Compared to other countries such as Denmark, Chile, Jamaica and the United Kingdom (UK), South Africa has lower standards around practitioner qualifications and space per child requirements, but less flexibility for some of the standards around sanitation and physical structures, which could be reconsidered (see Annex A for international comparisons). For example, there could be more clarity and flexibility on alternative toilets as well as the toilet size (for instance, Jamaica allows adaptations to adult sized toilets such as steps rather than mandating reduced size toilets). The standards around a separate space for children ages 0 to 2 and having an area where children who are ill or injured can be isolated on the premises are difficult to manage and more flexibility could be introduced while still ensuring the principle is adhered to. There are also a large number of standards in the ECD registration framework, 100+ for bronze status with some duplication for the physical environment standards, and these could be reduced and consolidated without impacting programme quality or child safety.

39 Key informant interviews.
40 Vangasali campaign analysis.

There is an important role for local government to play in supporting ECD programmes, especially on infrastructure. According to the NIECD Policy (2015), local government is responsible for supporting ECD programmes to meet minimum infrastructure requirements, but in practice local governments largely interpret their role as one of compliance[41]. For example, municipalities in only five provinces reported any ECD infrastructure expenditure as part of the MIG in 2019/20 (Box 10), and within those provinces, merely 15-20 municipalities reported any ECD infrastructure expenditure over the last few years. Several strategies could be considered to increase the engagement and effectiveness of local government. The Municipal Guide for ECD Planning and Infrastructure Support, developed by the Project Preparation Trust (PPT) in collaboration with Ilifa Labantwana, has more details on recommendations,[42] including increasing the dialogue between national, provincial, and local levels of government to help clarify the responsibilities of local government and to make the case for prioritising ECD investments, particularly in Integrated Development Plans (IDPs). Making infrastructure grants available through municipalities for unregistered programmes is also of critical importance. The rationale for prioritising ECD infrastructure could be linked with the broader poverty alleviation and development agendas that would resonate with municipalities. In the short term, incentivising municipalities to make public infrastructure that meets bylaw requirements available for ECD programmes, could be a way to bring unregistered providers into the system and to expand services.

Private intermediaries have successfully supported ECD programme registration in some provinces. The many challenges facing providers illustrate the importance of the Vangasali campaign (see above) and the work of various NGOs to support providers through the registration processes. For example, in UGU district in KwaZulu-Natal, Impande has been working in partnership with DSD since 2014 to support the registration process for ECD programmes. Of approximately 500 ECD centres recorded in UGU, 72% are now registered and funded compared to 36% in 2013[43]. This kind of support is currently more feasible in provinces such as Gauteng, KwaZulu-Natal and Western Cape, where there are NGOs with extensive expertise, but could be expanded further moving forward. There are also promising examples of municipalities attempting to reduce the costs and complexity associated with the bylaws. For example, in eThekwini, the municipality is working with the environmental health department to develop a separate ECD facilities bylaw, and simplifying the process for land zoning requirements, supported by the Project Preparation Trust[44]. A national level dialogue on the bylaws may be helpful to identify if such flexibility could be introduced systematically across all municipalities. There is also a current discussion about allowing access to some funding for ECD programmes that have not yet reached bronze status.

41 Which should sit at the provincial level unless delegated from the province to the municipality.
42 https://www.pptrust.org.za/wp-content/uploads/delightful-downloads/municipal-ecd-guide.pdf
43 Correspondence with Impande February 2022.
44 Key informant interviews.

Currently the eligibility criteria to access the ECD subsidy are only loosely specified in policy. The 2015 National Integrated Early Childhood Development Policy (NIECD) policy indicates that two criteria should be used (RSA, 2015). First, ECD programmes in an 'under-serviced geographic area' should be prioritised. Second, children who are eligible for the CSG should be prioritised, regardless of where they are located. But details relating to how geographic areas should be identified, and what to do if demand for the subsidy exceeds the available budget, are not provided. For conditional ECD grant funding, in theory, targeting should be by poverty declared wards without needing to do an income means test (DoR, 2021). However, there does not seem to exist such a list of wards, and in practice the income means test seems to continue to be the main targeting mechanism[45]. To qualify for the subsidy, ECD programmes generally need to demonstrate that a child is eligible through an income means test whereby the joint income of the child's household members is less than a certain threshold, but this appears to vary by province. For example, in Mpumalanga, PDSD considers children who are in ECD centres for the subsidy based on a means test as follows: if the parents earn less than a combined income of R42,000 per year; receive a social grant or are unemployed (MPPDSD, 2018).

The ECD subsidy application process is challenging and is not standardised across provinces. To apply for the subsidy providers must go through the ECD programme registration, and centre-based programmes also the partial care registration process, and register as an NPO (see above). The NPO registration requirement for ECD programmes to be eligible to receive the subsidy disadvantages individuals providing early learning and childcare services in poor communities to generate a subsistence income while serving community needs (Ilifa Labantwana, 2021). The application process is not standardised across provinces with variations in how many levels of DSD interact with the process. For example, some provinces operate fully from a provincial level while others cascade up from Service Offices to province level, and there are also variations in relation to how many assessment panels are required to sit, and at what levels[46]. Further, some provinces process funding applications as a stand-alone process whereas others combine registration and funding application processes[47]. Finally, there is often a duplication of supporting documents required, largely because there are no specifics on funding in the Children's Act or DSD regulations, with provinces typically following funding processes they use for other types of NPOs, which may not be suitable for ECD programmes.

Clarity around requirements for conditionally registered ECD centres to receive the subsidy and a standardised approach to fund non-centre-based programmes are lacking. The Second Children's Amendment Bill is expected to provide clarity around the first issue, but it is not expected to mandate that provinces fund conditionally registered programmes and, therefore, inconsistencies in implementation across provinces are likely to persist. In several provinces, conditionally registered programmes do receive the ECD subsidy.

45 Key informant interviews.
46 Key informant interviews.
47 Key informant interviews.

There is no standardised way of funding non-centre-based programmes, and these are funded a lot less frequently compared to centre-based programmes (Ilifa Labantwana, 2021).

The process for claiming the subsidy is onerous. ECD programmes that receive the subsidy are expected to sign a Service Level Agreement (SLA) with respective provincial departments, usually for three years. Once an SLA is signed, the ECD programme has to claim the subsidy monthly, based on child attendance, which includes providing an attendance register for the preceding period. These claims are then cross-checked and validated before a payment instruction is made (Ilifa Labantwana, 2021). This is a major challenge for providers who have a number of fixed costs, including staff salaries and rent, that are not linked to attendance. The Division of Revenue Bill 2021 suggests that this may have changed so that the subsidy allocations may not be changed during the year, at least for subsidies provided through the ECD conditional grant. Going forward, DBE should ensure this is consistently communicated and implemented, and change this also for subsidies provided through the equitable share[48]. In addition, programmes need to submit expenditure receipts and documentation for different categories of funding, such as menus for the nutrition related expenditure. These claims are then cross-checked and validated before a payment instruction is made (Ilifa Labantwana, 2021).

The per-child per-day ECD subsidy amount is inadequate to cover programme operating costs. The amount of the subsidy (R17 per-child per-day) is inadequate to cover full operating cost (also see section 5.4), and programmes have to rely on parental fees to supplement their income (Ilifa Labantwana 2021), which raises the barrier to attending ECD programmes, especially for children from poor families (Annex C). Some recent costing work suggests that the minimum operating costs of ECD programmes is R31 per- child per-day[49], which means the subsidy would cover just over half of the operating cost. When programmes do not receive the full allocation for all eligible children due to provincial budget constraints (see below), then this would be even less. It should be noted that the daily subsidy amount is not systematically promulgated, for instance in the manner of the funding subsidy amount applicable for public schools, which is published in a Government Notice. By contrast, the ECD subsidy amount tends to be simply announced by, for instance, the national Minister of Social Development. How the ECD subsidy should be used is supposedly recommended at a national level by DSD at 50% for nutrition, 30% for educator and practitioner salaries and 20% for equipment[50]. But in practice these expenditure ratios vary by province and are reportedly inconsistent with providers' typical operating costs. For example, some research suggests practitioner salaries can constitute 50-70% of operating costs (BRIDGE et al. 2020). There are also reports that some providers are spending the subsidy on inappropriate and potentially unnecessary materials simply to satisfy the expenditure ratios[51].

48 Division of Revenue Bill 2021: 194 "All allocations must be aligned to the number of children registered and eligible for the subsidy as per the SLA and can only be reduced as per the process outlined in the SLA. Allocations may not be changed in-year, based on attendance."

49 DBE.

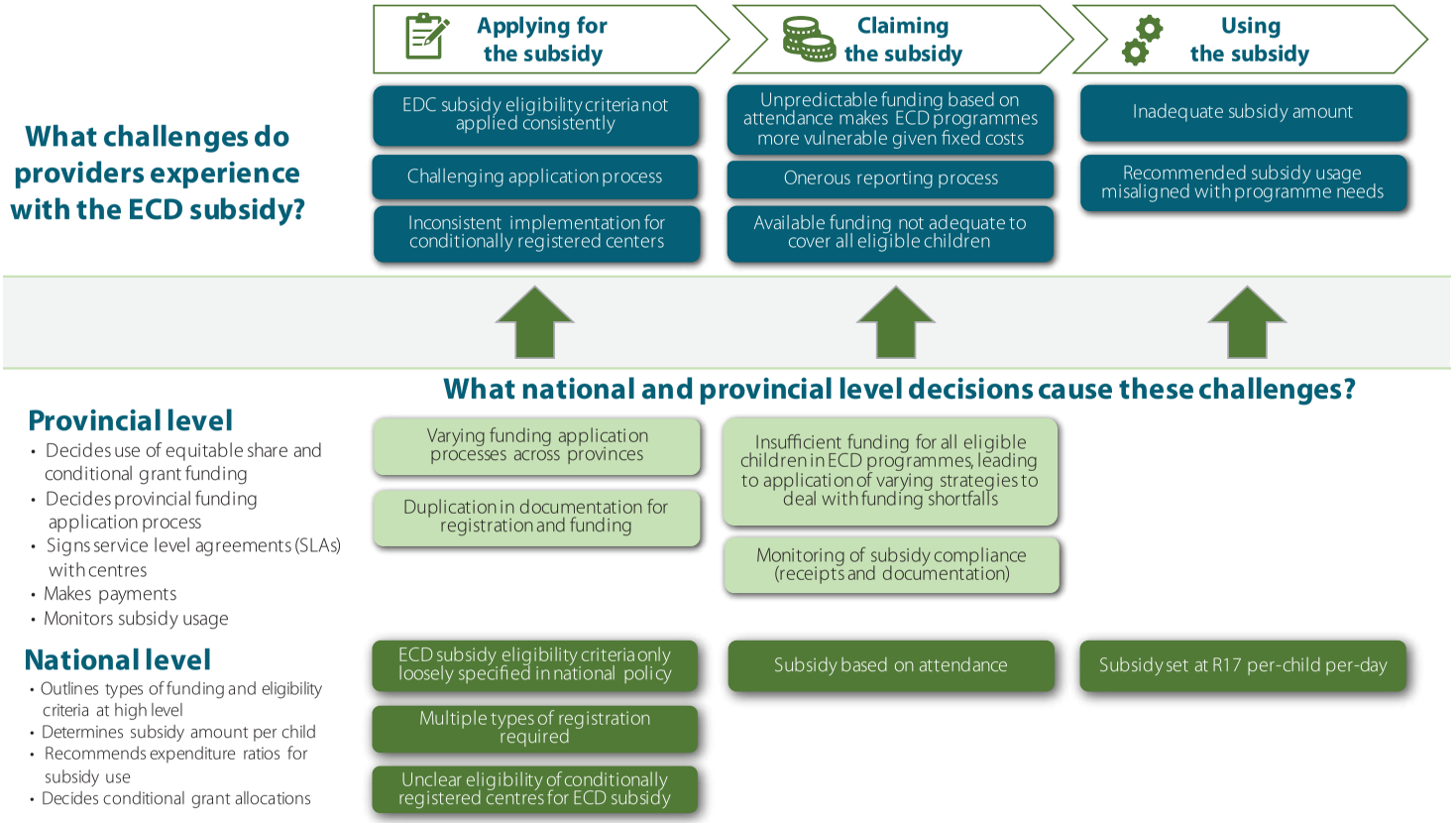
50 Unpublished DSD document.

51 Key informant interview.

Many eligible children do not receive the ECD subsidy, and the situation is likely to deteriorate unless additional funding is made available. Provinces report that there is often insufficient budget to reach all children that are eligible for the subsidy[52]. Both the ECD subsidy and the CSG target poor children using similar means-based tests to determine eligibility (section 5.4). In 2019/20, 778,700 children age 4 and 780,812 children age 5 received the CSG but only 626,574 children in the age range 0 to 5[53] received the ECD subsidy (sections 5.4 and 6.3). This means that at most only 40% of eligible (whether attending an ECD programme or not) children ages 4 and 5 received the subsidy. Even under a restrictive assumption that the subsidy should only cover children of age 5, there would be rationing with 80% of eligible (attending and non-attending) children receiving the subsidy. The subsidy rationing is further corroborated through analysis using financial data for KwaZulu-Natal (section 5.4). There is no standardised way of selecting which programmes or children receive funding in this rationing situation – some provinces will cover a certain number or proportion of eligible children, while some reduce the daily rate and others fund fewer days per child (Ilifa Labantwana, 2020)[54]. In each of these situations, the programme is receiving less funding than they are eligible for. This situation is likely to get worse with the registration campaigns to increase the number of eligible programmes (section 5.1), unless more funding is made available for the ECD subsidy.

52 Key informant interview.
53 Data on the number of ECD subsidy recipients is not available by single age.
54 Key informant interviews.

Figure 13 Key challenges experienced by ECD programmes in relation to the ECD subsidy



Source: PEIR team.

Box 8 International examples of subsidy requirements: targeting and quality enhancements

Most countries that offer subsidies to non-state providers of childcare and early learning services link subsidies to efforts to target disadvantaged families and/or to improve quality.

In Colombia, India, Mozambique, New Zealand and Singapore, subsidies are targeted to low-income families or other vulnerable groups to improve equity. Colombia and Singapore also mandate a cap on parental fees. For Colombia this is less than 25% of the daily minimum wage.

Countries can also use subsidies to try to improve quality in different ways. In Singapore, the scheme requires providers to attain the Singapore Preschool Accreditation Framework (SPARK) certification and ensure the continuing professional development for their practitioners. While in New Zealand, funding is contingent on practitioners having recognised qualifications and being paid appropriately according to salary scales defined by the government.

In South Africa, the ECD programme subsidy is provided on a per-child per-day basis to children in registered ECD programmes and is targeted to poorer children to improve equity in access. But the subsidy could also be used to improve quality if the amount were to be increased to allow programmes to pay practitioners a reasonable wage and to invest in better play materials and/or infrastructure improvements. In addition to the basic subsidy, an annual bonus payment may be considered for providers who meet certain quality standards.

Source: Colombia - Bernal and Fernández (2012); New Zealand – Ministry of Education Early Childhood Funding Return (RS7); Punjab Government – Women Development Department - Punjab Day Care Fund Society webpage; Singapore – Ministry of Social and Family Development - Call for Applications for New Term of Childcare Partner Operator Scheme November 2019.

5.2 Training and remuneration of ECD practitioners

There is a large body of evidence linking the benefits of investing in childcare and early learning practitioners to improve programme quality and child development outcomes (Perlman et al., 2016; Slot et al., 2015; Wolf, Aber, and Behrman, 2018), and this is an area in need of critical attention in South Africa. The Children's Act (2005) givens limited attention to the ECD workforce55. However, the recent ECD registration framework (see above), has more specificity on the practitioner qualifications required for bronze, silver and gold status, and sets these requirements at a relatively low level for bronze and silver: bronze requires basic training in ECD or one year experience working with children; silver requires basic training in ECD or two years of experience working with children; while gold requires the National Qualifications Framework (NQF) level 4 or 5 qualification for ECD, another ECD qualification or three years of experience working with children.

55 It stipulates only that practitioners must be trained in implementing ECD programmes, on how to recognise children's serious illnesses and how to deal with those, and in first aid.

These low requirements for bronze and silver status take a pragmatic approach, which is important given the current situation, but ensuring access to quality basic training programmes and on-going support will be crucial to raise programme quality moving forward.

Overall, training opportunities for ECD practitioners are limited, and some provinces are worse affected. In 2021, a majority of staff in both subsidised and unsubsidised centres (61% compared to 66%) had less than an NQF level 4 qualification56. DBE is responsible for training ECD practitioners, however, there has been limited roll-out of training programmes due to budget constraints and fluctuations as well as taxing procurement processes. Most training programmes focus on the 18-month NQF level 4 and 5 qualifications for ECD using the EPWP grant or the Sector Education and Training Authority (SETAs) to fund learnerships. Funding fluctuates each year making it difficult to do proper planning. In KwaZulu-Natal, training using the EPWP social sector grant commenced in 2020 for 1,713 NQF level 4 practitioners but no funding has yet been allocated for a next round of training to take place. In the Eastern Cape, a study from 2018 highlighted that very limited training was taking place, it alleged that training of ECD practitioners was last provided in 2010, due to conflict in the internal PDoE procurement process for ECD service providers, delaying the training of ECD practitioners for a number of years (Haricharan et al., 2018). By contrast, in the Western Cape, learnerships are offered for NQF level 4 for ECD practitioners and NQF level 5 for grade R teachers that currently have level 4 (identified through a yearly qualification audit)[57]. In 2021 and 2022 around 600 learnerships were offered for level 4 and around 1,000 for level 5 in identified Technical Vocational Education and Training (TVET) colleges in the province, with training fees covered as well as a stipend with support from EPWP and SETA funding.

Considering the lack of qualified practitioners and the gap between training needs and what the system can currently deliver, the focus on NQF levels 4 and 5 qualifications may not be feasible. These qualifications are 18-month courses obtained through TVET colleges or other accredited providers and typically cost over R20,000 per person per NQF level. It would be worth considering the development of a practitioner framework which could include shorter, entry-level qualifications that could be recognized nationally, subsidised and widely rolled out in the short term through accredited training providers, as done in some other countries (Box 9). Such a framework could also provide more guidance on the requirement for 'basic training in ECD', which is indicated but not specified in the ECD registration framework. It would also be useful to conduct a needs assessment of practitioners, given that very little is known about their knowledge and capabilities, interactions and pedagogical approaches and main factors that constrain them from doing their job effectively. This would help identify priority areas for a shorter training course.

56 Calculations based on 2021 ECD Census. Percentages computed as total number of staff system-wide with less than NQF level 4 divided by the total number of staff system-wide for ECD programmes with consistent reporting on staffing levels.

57 Key informant interview.

ECD practitioners are poorly paid and suffer from precarious employment conditions. Concerns have been raised over the high rates of ECD practitioner turnover, including among those that have been trained at NQF levels 4 or 5 but then leave the profession due to inadequate remuneration[58]. Many providers struggle to pay decent wages (Ilifa Labantwana, 2021; BRIDGE et al., 2020). In addition, variable funding flows from parental fees and subsidy payments exacerbate the insecure remuneration position. Staff are often not registered for the Unemployment Insurance Fund (UIF), and do not enjoy other employment benefits such as medical aid or pension contributions. The ECD workforce is also not unionised (BRIDGE et al., 2020). During the initial stage of the COVID-19 pandemic, it was civil society that advocated strongly for the ECD Employment Stimulus Relief Fund (ECD–ESRF) (section 5.4), to support ECD practitioners. These features, coupled with practitioners' often low levels of formal education, mean the ECD workforce is extremely vulnerable. Given the ECD function transfer, DBE should explore ways to ensure that ECD practitioners are being paid an acceptable wage.

Box 9 International examples of upskilling the early learning workforce

Many of the problems that South Africa is facing with its early learning workforce, reflect issues found across many low-and middle-income countries. Given the size of the demand and the urgency of the problem, many countries have recognised that there is a need to scale up early learning practitioner training programmes in a way that is cost-effective and rapid while still focused on promoting good quality.

Several countries have invested in shorter initial training programmes for early learning practitioners (see examples of Australia, Liberia and Mexico below), often complemented by continuing support and guidance and linked training pathways to facilitate progress toward a higher qualification later. Some countries with higher requirements have a 'preferred' level and then a lower requirement if that cannot be met.

One promising cost-effective approach for building the early learning workforce, which could be feasible in South Africa, is to combine early learning practitioners with skills and employment programmes, offering governments a unique opportunity to tackle multiple challenges with a single investment (see example of India below). In-service training and coaching programmes can also be effective in upskilling existing practitioners (see example of Ghana below).

Ghana A recently published impact evaluation in Ghana showed the positive impact of upskilling (largely untrained) kindergarten teachers. The in-service teacher training and coaching improved teachers' use of the play-based kindergarten-specific pedagogy, with effects persisting one year after the end of the programme. This resulted in improved school readiness among the children, including in early literacy, early numeracy and social-emotional skills (Wolf, Aber and Behrman, 2018).

India The current Skill India Mission Operation (SIMO) project provides the opportunity to develop short (3 to 6 month) ECD practitioner training courses. Provisionally, four job roles have been identified, which are in alignment with the broader National Skills Qualification Framework (NSQF) and are intended to be suitable for a range of ECD provision serving children up to the age of 6.

58 Key informant interviews.

The qualification framework includes an entrepreneurial skill track to encourage graduates to open crèches and private childcare centres.

Liberia introduced an ECD professional development framework comprising of four levels to cover all ECD practitioners in 2016. Level 1 (ECDCEAP) is a basic introduction for caregivers, parents and Community Health Workers (CHWs) delivered through ten workshops. Level 2 (ECDSTEP) consists of 120 hours/20 sessions and is intended for caregivers at day-care centres and pre-school assistants at school-based provision. It has also been used as an in-service training for pre-school teachers. Level 3 (ECD C Certificate) is in development and is expected to consist of ECDSTEP plus additional modules (of around 300 extra hours), and 480 hours of classroom practice intended for pre-school teachers. Level 4 is a degree programme and is in development. The level 2 ECDSTEP training was integrated as an ECD vocational track into the World Bank supported Economic Empowerment of Adolescent Girls and Young Women (EPAG) project as a pilot in 2016 and has proven to be a cost-effective way to build the ECD workforce. The training programme consists of three months of classroom training focusing on ECD, but also life skills, business skills, and work readiness, followed by a three-month placement in a pre-school classroom. Results from the first three rounds of training (2016-2019) were encouraging. All cohorts achieved over 85% employment, and in the second and third rounds around 90% of employed graduates were employed specifically in ECD services. Graduates also reported higher income and increased confidence and self-reliance. Results on ECD quality and child development outcomes are expected in April 2022.

Mexico The Federal Day-care Programme, which ran from 2007 to 2019, encouraged a market for home-based childcare services, by offering grants and subsidies, and allowing a lower level of qualification for caregivers. Instead of a relevant degree, caregivers in this programme were required to have a high-school certificate and to participate in training for a childcare certificate. This facilitated an impressive level of expansion and within two years of the programme starting, 3,446 caregivers had received this certificate. There were, however, some concerns about the quality of the programme.

The Early Childhood Workforce Initiative[59] Most countries also need to professionalise the childcare and early learning workforce to improve practice and make it a more attractive, respected and secure career option. This initiative highlights the importance of creating solid competencies and standards that guide the work of early childcare workers and defining clear career pathways, as well as establishing systems for continuous feedback and coaching. Establishing salary scales (with living wages) and raising the status of the profession is also crucial. Flexible pathways for practitioners supporting children across the whole age range (from birth to primary school entry), with similar salaries and employment structures, should be considered to avoid devaluing childcare practitioners that focus on younger children.

The main implications for South Africa related to its early learning workforce include: the integration of ECD as a training stream within skills and jobs training programmes; and the development of shorter, affordable and feasible training courses complemented by continuous professional development, mentoring and support for ECD practitioners.

Source: Productivity Commission (2011); Calderon (2014); Gerhard and Staab (2010); MoEBoECD (2016); OECD (2015).

59 https://www.issa.nl/workforce

5.3 Flow of funds for the early learning interventions

Funds flow from the national to provincial level for the early learning interventions through the equitable share and conditional grants (section 3.3), and there are also some in-kind transfers (Figure 14).

The main funding source for the early learning interventions (because of funding for grade R) is the equitable share which flows from the national revenue fund through the provincial revenue fund to PDoEs and PDSDs. These funds are not earmarked for ECD, nor are there any national guidelines to encourage provincial governments to prioritise early learning programmes to receive funding from the provincial equitable share (Ilifa Labantwana, 2020). Moreover, although provinces, in theory, have significant autonomy over the use of these funds, for example, they can reprioritise across sectors and within their education allocations, to focus on early learning, in practice, budgets are very tight given the funds required to cover salaries for staff on payroll which the national government struggle to control (Spaull, Lilenstein and Carel, 2020). Currently, provincial governments allocate from 0.8% (Limpopo) up to 2.4% (North West) of their equitable share funds to early learning services in line with their own specific priorities. They can also decide to supplement the equitable share funding with own funding from provincial revenues[60]. Using the equitable share, provinces manage grade R educator payroll employees and, in some cases, pay stipends to other staff directly. In other cases, these staff are paid via the ECD programme or public school. Furthermore, the equitable share can be used to purchase any type of input or be transferred to ECD programmes and schools.

Another major source of funding for early learning services flow from the national revenue fund to DBE and DSD and then to PDoEs or PDSDs, in the form of conditional grants. The Education Infrastructure Grant (EIG) and the ECD conditional grant are earmarked, and funds flow to public schools, including for grade R, and to ECD programmes, respectively. The EIG is spent on construction and maintenance, including for grade R classrooms. Funds from the ECD conditional grant is spent on programme subsidies and infrastructure. PDSD equitable share funding is sent as a subsidy to ECD programmes and is also spent on training stipends, in-kind transfers, salaries and infrastructure. Expenditure on the ECD subsidy is funded by the conditional ECD grant and the equitable share, with the latter playing a much larger role[61]. There are also some in-kind transfers, mainly of books and learning materials, from DBE to PDoEs, which then help allocate these to public schools, including grade R.

A very small funding stream for the early learning interventions is the conditional EPWP social sector grant that flows from the national revenue fund to DPWI, and then from the provincial revenue funds to PDoEs and PDSDs, and finally to providers. This funding is earmarked and is currently used, among other things, to train ECD practitioners but could also be used to create new ECD practitioner jobs.

60 The decision about whether funding allocations come from the equitable share funding or the provinces' own revenues is processed through the provinces' annual budget process. The allocation needs to be approved by the Provincial Executive Council (provincial Cabinet) and ultimately, by provincial legislature after it has been tabled.

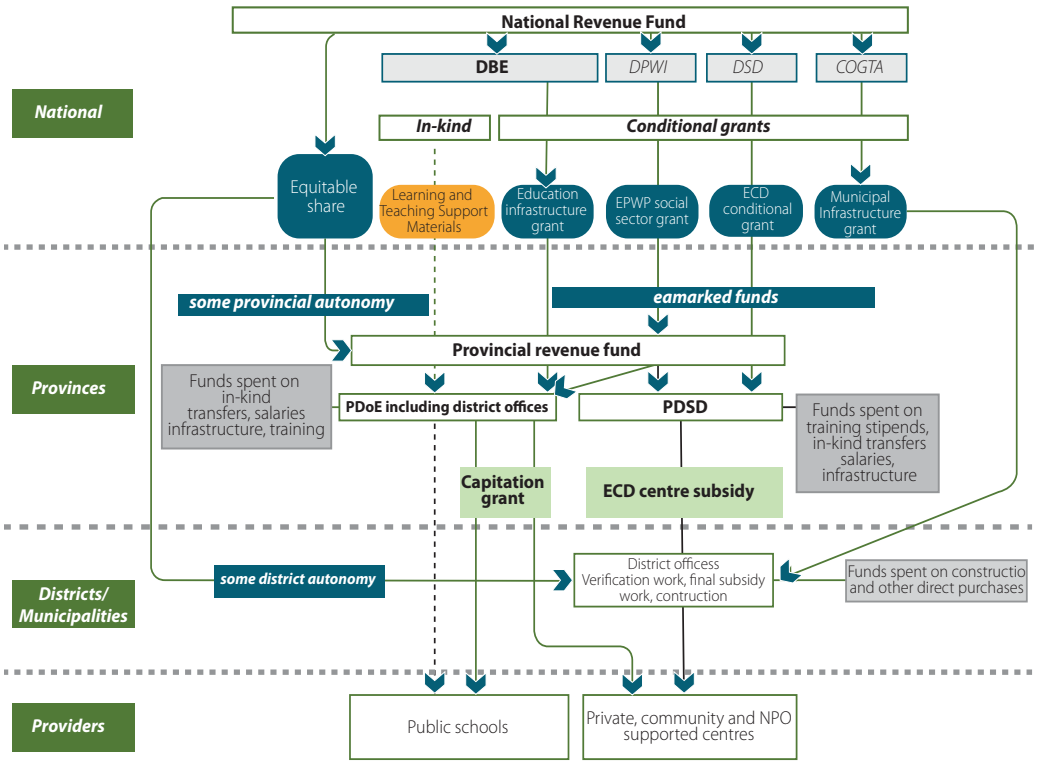
61 For example in Gauteng province, 104,000 children benefitted from the ECD subsidy funded through the equitable share and 17,000 through the ECD conditional grant while in Mpumalanga province the corresponding numbers were 53,000 and 9,000 respectively (PDSD annual reports 2019/20).

Most funds bypass municipalities, one exception is the Municipal Infrastructure Grant (MIG) (section 4.1), which flows from the national revenue fund to the Department of Cooperative Governance and Traditional Affairs (COGTA) and from there directly to municipalities, and then on to ECD programmes to support them to improve infrastructure. This funding stream is not earmarked for ECD and the share that flows to early learning services is currently very small and is likely to remain so given that municipal basic services such as water, sanitation and road infrastructure take priority (Box 10).

PDoE sub-district offices help manage schools, whereas PDSDs often cooperate with municipalities to manage and act as a final payment stage for ECD programmes.

Given the recent function shift from DSD to DBE, funding flows are set to become more streamlined, and at the provincial level, more concentrated in PDoEs.

Figure 14 Flow of funds for the early learning interventions



Source: PEIR team based on document review and key informant interviews at national and province levels.

5.4 Expenditure on the early learning interventions

This section discusses expenditure on the early learning interventions defined earlier (section 2.3). Given the state of flux on the part of the early learning interventions historically managed by the social development sector, and the risks and opportunities the shift of the ECD function to the education sector presents, much of this section focuses on the ECD subsidy.

The early learning interventions can be said to cover two levels: grade R and early learning services below grade R. Mostly, grade R is within the education sector and offered through public primary schools, while pre-grade R is within the social development sector and offered within ECD programmes. There are three key exceptions. First, around 28% of grade R learners are in ECD programmes, meaning they are funded through the social development sector (see below). Second, to a very limited extent, grade R in ECD programmes is funded by PDoEs (sub-programme 5.2 in Table 14). Third, expenditure on in-service training of pre-grade R teachers sits within the education sector (sub-programme 5.3 in Table 14).

Nearly all expenditure on the early learning interventions occurs at the provincial level. Total expenditure on these interventions stood at R9,529 billion in 2021/22 (Table 14). This is equivalent to 0.5% of total public expenditure and 0.15% of GDP. PDoEs and PDSDs, eighteen government departments in all nine provinces, play a crucial role in delivering the early learning interventions. These provincial departments account for 99% of total expenditure on these interventions. While considerable expenditure is reflected in the budgets of the national DSD, for instance R1,148 million in 2021/22 under the budget programme 'Children', most of this takes the form of the ECD conditional grant to provinces which is then reflected under sub-programme 3.7 in the expenditure of PDSDs. This leaves around R91 million available to the national department for activities such as planning and research. There is no clearly identifiable expenditure relating to the early learning interventions under DBE, though this department is very much involved in planning and research in this area.

DBE's role in early learning recently became more important due to the recent shift of the ECD function from DSD to DBE. This moved all the examined early learning interventions, with budgets, into the education sector, in other words the nine PDoEs and DBE. Up to now, PDSDs have funded ECD programmes through their budget sub-programme 3.7 'ECD and partial care', accounting for R3,473 million in expenditure in 2021/22, of which the ECD subsidy constitute roughly R2,815 million (Table 14) [62]. The key sub-programme of PDoEs is 5.1 'Grade R in public schools', through which a total of R5,014 million was spent in 2021/22, with compensation of employees accounting for 73% of expenditures. The social development sector has also been funding grade R learners, who are commonly thought of as being the responsibility of the education sector. While the social development sector accounts for 37% of expenditure on the

62 This, divided by the 626,574 beneficiaries produces a per beneficiary expenditure amount of R4,493 a year. Applying the applicable daily rate of R17 per-child per-day in 2021/22 and 264 days produces an amount of R2,812 million a year, which is very close to the R2,815 million.

early learning interventions, pre-grade R participation accounts for 34%. The difference is mostly explained by the fact that roughly 100,000 children are in grade R in ECD programmes funded by the social development sector[63]. Expenditure on the education sector's sub-programme 'Grade R in ECD programmes' comes to R279 million out of which 43% is in the form of transfers and subsidies and 37% for employee compensation. However, how exactly this expenditure by the education sector benefits ECD programmes is not clear.

Expenditure on the early learning interventions funded by the EPWP grant is currently small. Expenditure on sub-programme 5.3 'Pre-Grade R Training' that accounts for training of ECD practitioners and educators stood at R299 million in 2021/22 (Table 14). Currently, only a very small part of the expenditure under this sub-programme, around R5 million, is funded through the EPWP social sector grant (section 4.1). A 2015 evaluation of the EPWP in the social sector concluded that poor management of the EPWP, often due to unclear roles and responsibilities and over-stretched managers has limited the effectiveness of the programme (DPME, 2015), but the programme has been strengthened since. Given the recent ECD function shift to DBE there would be opportunity to explore how this funding source could be further taken advantage of, including to create ECD practitioner jobs.

Direct expenditure on ECD programme infrastructure by provinces is low. Around R331 million was spent on grade R classrooms in public schools under the PDoE sub-programme 6.4 'ECD Infrastructure' in 2021/22 (Table 14). The ECD conditional grant transferred from DSD to PDSDs is in part intended to assist with the development of the physical facilities used by ECD programmes (section 4.1). The fact that payments for capital assets in the 'ECD and partial care' programme is so low (R51 million in 2021/22) suggests that most publicly funded infrastructure development would occur through the funds transferred to ECD programmes, or if it does not, that such investment is very limited. There is also some expenditure on ECD infrastructure funded through the MIG, but only in some municipalities in some provinces (Box 10).

63 A larger adjustment involved estimating expenditure by the social development sector on grade R learners in ECD centres, though such learners are commonly believed to be the responsibility of the education sector. The estimate of R600 million, is a rough one using three key assumptions: 28% of grade R learners are in ECD centres (DBE, 2020a); 50% of grade R learners in ECD centres are from relatively well-off households and attend completely private centres, with no public funding; and per learner funding in education's sub-programme 5.2 equals social development's per learner funding in that sector's sub-programme 3.7. Only the first of these three assumptions is supported by empirical analysis. The other two are likely to be roughly true and appear to be difficult to estimate more precisely with the information that is currently available.

Table 14 Expenditure on the early learning interventions by sub-programme 2017/18 to 2021/22

R million at constant 2021/22 prices	2017/18	2018/19	2019/20	2020/21	2021/22
Social development sector: mostly pre-grade R					
National Department of Social Development					
Programme 4 Children (nationally administered)	**88**	**98**	**94**	**105**	**91**
Provincial social development departments: programme 'Children and families'					
3.7 ECD and partial care	**3,270**	**3,412**	**3,381**	**4,191**	**3,473**
of which: Compensation of employees	469	497	539	525	476
of which: Transfers and subsidies (including ECD subsidy)	2,560	2,663	2,681	3,438	2,815
Education sector: mostly grade R					
Provincial education departments: programme 5 'Early childhood development'					
5.1 Grade R in Public Schools	**4,147**	**4,297**	**4,673**	**4,789**	**5,014**
of which: Compensation of employees	3,228	3,364	3,515	3,466	3,654
of which: Transfers and subsidies	647	672	688	718	740
5.2. Grade R in ECD programmes	**224**	**368**	**286**	**258**	**279**
of which: Compensation of employees	93	112	128	90	104
of which: Transfers and subsidies	108	110	113	112	121
5.3. Pre-Grade R Training	**239**	**229**	**245**	**236**	**299**
of which: Compensation of employees	60	57	85	65	33
of which: Transfers and subsidies	86	117	93	99	175
5.4. Human Resource Development	**31**	**33**	**39**	**27**	**42**
Total for programme 5	4,641	4,927	5,243	5,310	5,634
Provincial education departments: programme 6 'Infrastructure development'					
6.4. Early Childhood Development	**374**	**253**	**204**	**153**	**331**
Total provincial education departments	5,015	5,180	5,447	5,463	5,965
Both sectors					
Grand total for both sectors	**8,373**	**8,690**	**8,922**	**9,759**	**9,529**

Source: National Treasury (ENE of 2021 and Excel EPRE file published 2021).

Note: 1) The transfers and subsidises under sub-programme 3.7 in addition to the ECD subsidy include a small amount of other expenditure. 2) There is no provincial education sub-programme 5.6 above, as no such sub-programme is currently used. 3) Bold lines sum to the grand total. 3) For simplicity a small amount of expenditure was reclassified. Expenditure on sub-programme 5.7 EPWP Grants which is spent on pre-grade R training was moved under sub-programme 5.3 Pre-Grade R training and expenditure on sub-programme 5.5 Conditional Grants was moved under programme 6 Infrastructure development, sub-programme 6.4 Early Childhood Development.

Box 10 Municipal expenditure on ECD infrastructure

Transparency on municipal ECD infrastructure expenditure is relatively high and improving according to reviewed records. In common with other Public Financial Management (PFM) functions, South Africa provides a high level of standardised and up-to-date budget information, even at a municipal level. In 2019/20, 181 municipalities reported their budgets online in a format which included forms SA34a-c (summary of capital expenditure which includes the Crèches category) and SA36 (detailed capital expenditure), while 76 municipalities did not provide a budget in sufficient detail. In 2020/21, the reporting count had increased to 213 municipalities.

Municipal ECD infrastructure expenditure comprises a substantial share of total public expenditure on ECD infrastructure but is small in absolute terms. Municipal allocations on ECD infrastructure totalled R113 million in 2019/20, while provinces' actual spend on buildings and other fixed structures for ECD was R252 million[64],[65]. Almost all of the municipal allocations for which a breakdown is available is for new construction, rather than repairs and maintenance. In addition, subsidies to ECD programmes can be partly spent on infrastructure but data on this is not available.

Only municipalities in five provinces report any ECD infrastructure expenditure. Within those five provinces – Eastern Cape, Gauteng, KwaZulu-Natal, Limpopo and Western Cape – a total of 22 municipalities reported some ECD infrastructure budget allocation in 2019/20. The following fiscal year, a total of 15 municipalities did so. Moreover, only three metros report allocations for ECD infrastructure over the two fiscal years.

As a whole, municipalities are using a tiny fraction of the total value of the MIG for ECD infrastructure. There is no earmarking of the MIG for ECD infrastructure (PPT, 2019) although this is possible, and in 2019/20, local and district municipalities spent only 0.6% (R91 million, real terms) of the MIG allocation on ECD infrastructure[66].

Municipal allocations are not adequate to maintain or expand ECD infrastructure. The average upgrade of an ECD centre costs roughly R330,000 (real terms) and new ECD centre construction costs at least an estimated R700,000 (real terms) for a 40-child crèche (PPT, 2019). This means that municipalities, given current expenditure on ECD infrastructure, could, for example, upgrade 343 centres (much less than 1% of the national stock of ECD centres) or build 161 new ECD centres accommodating 6,440 children (equivalent to 2% of 4-year-olds currently not attending an ECD programme) annually. Even if province level expenditure was to be included, this would not be enough to meet existing needs.

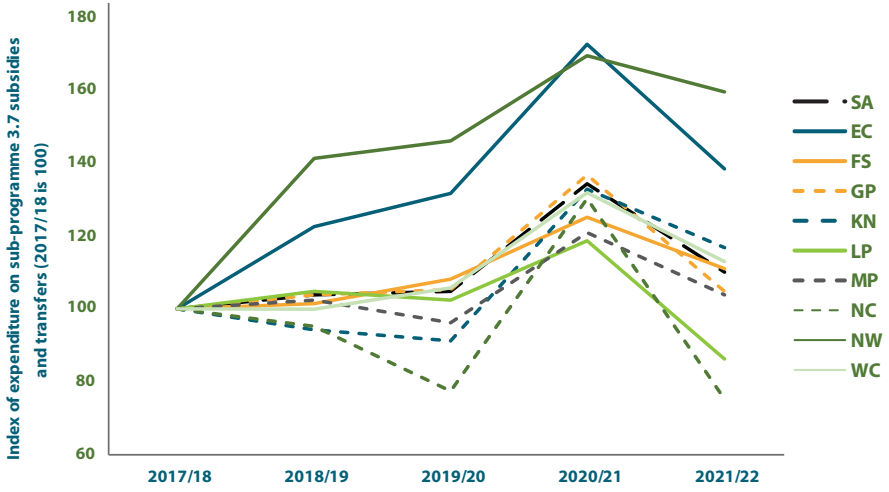
64 R176 million was under PDoEs (real terms). R92 million was earmarked by central government from the ECD conditional grant for ECD maintenance and renewal under PDSD of which R73 million budgeted by PDSDs.

65 The exercise to identify municipal spend required the Schedule A adopted budget document or alternatively adopted budget tables equivalent to SA34 (summary of capital expenditure) and SA36 (detailed capital expenditure). This included review of PDFs if an Excel version of the budget was not available. Where two Excel-based budgets were available, the version with the most recent date on the National Treasury website was used. Actual and revised budgets fields are not filled out at the project level in almost any document. Reporting on the SA34 forms is under the asset sub-class Crèches which sits under the community municipal function. For the SA36 forms and PDF documents, the project description field was also reviewed for key phrases including "ECD", "EARLY", "cr?c", "CRECH", "CHILD", "CR?CH, "CRÈCH", "EARLY" and "CRCH" and then manually reviewed. Where SA34 and SA36 reports differed, the maximum value for the fiscal year was taken.

66 Meanwhile, metros spent R19 million on ECD infrastructure in 2019/20.

Growth in the number of beneficiaries of public expenditure has been greater in ECD programmes than in schools-based grade R. Over the five years, the number of grade R learners in public schools remained roughly at the 775,000 level. Large increases did occur, but these were during the 15 years before 2014 (DBE, 2018a; DBE, 2020). On the other hand, a limited increase in the number of funded ECD programme attendees occurred during the five years. There was a 10% real increase in provincial expenditure on ECD programme subsidies between 2017/18 and 2021/22. This would roughly reflect the increase in funded children, given that the subsidy amount is fixed and annual increments in the subsidy amount have not exceeded inflation. One complicating factor is that it appears as if a drive to improve the physical facilities of ECD programmes was partly financed through the social development sub-programme 'ECD and partial care' transfers and subsidies, as discussed above. How large this part was is difficult to estimate. PDSDs point to substantial increases in the number of subsidised children in recent years, but in some cases, these exceed what would be possible by a large margin, given the budget trend[67]. Breaking down the national 10% increase in expenditure on subsidies by provinces there is considerable variation, ranging from increases of over 30% in the Eastern Cape and North West between 2017/18 and 2021/22, to declines of over 10% in Limpopo and Northern Cape (Figure 15). The spike in 2020/21 is related to the ECD Employment Stimulus Relief Fund (ECD-ESRF) to support ECD centres during the pandemic (section 4.1).

Figure 15 ECD centre subsidy expenditure trends by province

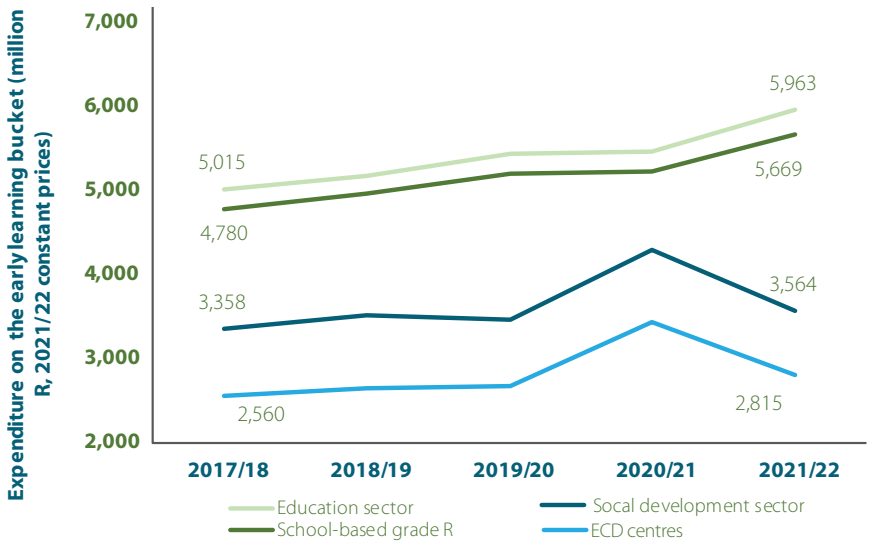


Source: National Treasury (Excel EPRE file published 2021 by National Treasury).

67 KwaZulu-Natal Department of Social Development annual reports (ARs) point to the number of subsidised children increasing from 86,067 in 2016/17 to 109,495 (83,713 plus 25,782) in 2019/20, an increase of 27%. The source is the ARs for these two years.

Grade R in schools has seen steeper real expenditure increases in recent years than ECD programmes. Pre-grade R expenditure accounts for approximately 40% and grade R for 59% of total expenditure on the early learning interventions in 2021/22, even though pre-grade R covers approximately twice as many children. Expenditure on the early learning interventions in the social development sector has lagged behind expenditure in the education sector (Figure 16). In other words, expenditure on younger children has not expanded as rapidly as expenditure on older children. The 2020/21 peak in social development expenditure is exceptional and reflects emergency relief funding in the form of the ECD-ESRF during the start of the pandemic to offset losses in fee income. As a proportion of the country's non-interest expenditure, expenditure on the early learning interventions in social development stood at 0.2% in both 2017/18 and 2021/22, while it rose from 0.3% to 0.34% in the education sector over the same period. Overall, the early learning interventions fared relatively well, in a context of serious budget constraints and the shock of the pandemic. Although arguably, growth in real expenditure should have favoured ECD programmes to a greater extent.

Figure 16 Expenditure trends for the early learning interventions

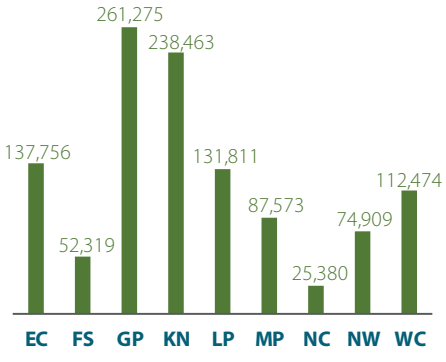


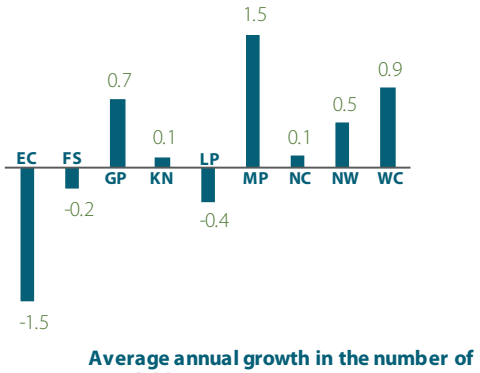
Source: National Treasury (ENE of 2021 and Excel EPRE file published 2021).

The expenditure trends for the early learning interventions (Figure 16) must be understood in the context of historical expenditure levels relative to the number of children in a province, and levels of growth or shrinkage in the child population. What occurs in Gauteng and KwaZulu-Natal, which together account for 50% of South Africa's young children, determines to a large degree, ECD patterns in the country (Figure 17). Moreover, the child population of one large province, Eastern Cape, is shrinking at an average rate of 1.5% a year, largely due to

inter-provincial migration. On the other hand, Gauteng, Mpumalanga, and Western Cape are experiencing growth in their child populations, of around 1% a year[68].

Figure 17 Child population patterns by province according to Statistics South Africa





Source: Mid-year population estimates of Statistics South Africa for 2021.

Note: 1) Spraque tool published with MYPE in 2017 used to break five-year age bins into single ages.

Main cost drivers

Cost drivers behind the expenditure numbers, including ECD programme subsidy coverage, ratios of participants to staff and salaries of staff, are discussed below.

The total number of children attending ECD programmes is often under-stated. Statistics on participation by children at the different levels of early learning are easily misunderstood. For instance, grade R participation should not be understood as just grade R enrolments in schools, given that many grade R children are in ECD programmes (discussed earlier). The total number of children in ECD programmes, whether publicly funded or not, is frequently under-stated, see for example Africa Check (2018). Analysis of the 2019 General Household Survey (GHS) data finds that 32% of children ages 0 to 5 were attending an ECD programme[69],[70],[71]. Using this estimate and children ages 0-5 in 2019 implied by the 2021 mid-year population estimates (MYPE) produces an estimate of close to 2.2 million children attending ECD programmes (Table 15)[72]. However, MYPEs are likely to over-estimate the child population, meaning the 2.2 million estimate is likely to be an over-estimate too. A truer figure may be around 2.0 million.

68 Child population statistics are a vital input for the planning and budgeting of early childhood services. Yet they need to be interpreted with caution. In South Africa, as in many developing countries, noteworthy discrepancies between official population statistics and official school enrolment statistics suggest there are problems with both sets of data (Gustafsson, 2018).

69 Includes 'Pre-school/nursery school/Grade 00/Grade 000' or 'Crèche/educare centre'.

70 This rises to 36% if children attending a day mother/gogo/child minder or a home-based play group are included.

71 This could represent an under-count insofar as some respondents with a child in grade R in an ECD programme could select 'Grade R,' when it is clearly the intention for one of the other two categories to be selected.

72 The Spraque tool published with the MYPEs in 2017 was used to break five-year age bins down to single years.

The number of children receiving the ECD programme subsidy is not systematically reported on making the analysis of subsidy coverage challenging. The social development sector subsidised ECD programmes until this function was taken over by DBE on April 1, 2022. The number of beneficiaries per year and province are not straightforward to obtain, as they are not systematically published by all provinces and do not seem to be available by age. This is in stark contrast to the very detailed statistics, broken down by age and province, of beneficiaries of the child grants (section 6), published by the South African Social Security Agency (SASSA), an agency closely linked to DSD. The 626,574 subsidy beneficiary figure used in this review is from a 2020 DSD media statement[73] and is roughly in line with other published figures.

Evidence suggests that the ECD programme subsidy does not always subsidise all children in a centre. As discussed earlier (section 5.1) there is rationing of the ECD subsidy, and nationally, at most only 40% of eligible (whether attending an ECD programme or not) children ages 4 and 5 receive the subsidy. The detailed financial data for KwaZulu-Natal made available for this review is unique in attaching expenditure to individual centres in the government's financial system, and as the per-child per-day subsidy is known, it was possible to derive funded children per centre. This reveals that on average 31 children per ECD centre receive the subsidy in KwaZulu-Natal compared to an average of 38 registered children per centre[74].

The real value of the per-child per-day ECD subsidy has declined considerably in recent years. Despite many expenditure totals in the three sets of interventions examined and many per capita expenditure amounts, increasing in value in real terms during recent years, the ECD programme subsidy amount has declined. Specifically, the subsidy amount was R15 in 2015 (Kotzé, 2015) and R17 in 2021, representing a decline of 14% in terms of Statistics South Africa's consumer price index.

Available expenditure totals appear to confirm that practitioners working in ECD programmes earn close to the minimum wage. Personnel expenditure as a percentage of total expenditure by ECD programmes came to around 45% according to the 2013 ECD Audit[75]. It is assumed here that ECD practitioners (including managers), excluding less skilled staff such as cleaners and janitors, account for 35% of all expenditure. For the ratio of participants per practitioner, three older sources (DBE, 2018a; DSD, 2014; UNICEF, 2010) point to the ratio being around 20:1, but analysis of data from the 2021 ECD Census finds an average ratio of 15:1[76] (section 3.3), the latter is used here. If the annual cost of an ECD practitioner is the residual, then the resultant figure is an average salary of approximately R31,000 per year. Assuming a

73 From DSD media statement 5 June 2020 'Social Development sets up workstreams to conduct risk assessment and state of readiness for the ECD centres.' Available at www.dsd.gov.za/index.php/latest-news/21-latest-news/183-social-development-sets-up-workstreams-to-conduct-risk-assessment-and-state-of-readiness-for-the-early-childhood-development-ecd-centres.

74 Calculation based on 2021 ECD census data.

75 Not measured by 2021 ECD Census.

76 This ratio is obtained after excluding programmes for which the reported number of total staff is less than the total number of managers who teach, educators and ECD practitioners. All child to educational staff ratios are child weighted.

30-hour work week, and 264 days worked in a year, the official minimum wage in South Africa was R34,357 in 2021. That many practitioners in ECD programmes earn the minimum wage, or even less, is something that is often repeated in the media and the policy debates. The figures presented here are very rough estimates, but importantly, they more or less tally with each other as would be expected.

Public expenditure per participating child is considerably higher for schools-based grade R than for ECD programmes and is driven by the large difference in average costs for grade R educators and ECD practitioners. In 2021/22, public expenditure per participant in ECD centres was an estimated R4,493 compared to R7,307 per grade R learner (Table 15). The large difference between the two, is essentially due to differences in average staff costs. The average annual cost of ECD practitioners, estimated at R31,000, is five times less than that for grade R educators estimated at roughly R165,000[77]. The latter would be an under-estimate, mostly because higher grade R teacher salaries in schools catering to middle class families, on which there is little available information, have not been taken into account. To put this in further perspective, the average cost per ECD practitioner is equivalent to less than one-third (0.3) of GDP per capita, while the average cost for a grade R educator is more than one and a half times (1.6) GDP per capitaTable 15.

A large share of ECD programme expenditure goes towards food. According to the 2013 ECD Audit[78], the second-largest expenditure item for ECD programmes after personnel, which was seen to account for 45% of the total, is expenditure on food, at around 40% of the total.

77 The fact that some grade R teachers are paid through the provincial payroll while others are paid by the school, often drawing in part from a subsidy that is specific to grade R in schools, means that total teacher numbers, and hence ratios of learners to teachers, are difficult to confirm. Some analysis points to the ratio of learners to teachers being around 35:1 (Gustafsson, 2009). The per employee cost of R164,838 is based on provincial education sub-programme 5.1 'Compensation of employees' and relevant enrolment and learner-to-teacher ratio values.

78 Questions were not asked in the 2021 ECD Census to allow for estimation of the share of centre expenditure that goes to food.

Table 15 Main cost drivers for the early learning interventions

R million at constant 2021/22 prices	ECD programmes	School-based grade R
Total participating	2,186,150	815,488
All values that follow are 2021 estimates and for publicly funded participants only		
Participating with public funding	626,574	775,820
Public expenditure (R million)	2,815	5,669
Public expenditure per participant (R)	4,493	7,307
Private fee expenditure per participant (R)	1,400	5,080
Total public plus private expenditure per participant (R)	5,893	12,387
Total public plus private expenditure (R million)	3,692	9,610
Key cost drivers (high levels of uncertainty):		
Proportion of the above spent on professional staff (%)	35	38
Ratio of participants to professional staff	15	35
Average annual cost of professional staff	30,839	164,838
Average annual of professional staff cost as a multiple of GDP per capita	0.3	1.6
Source: Table 10 and various other sources as discussed in the text.		

Effects of introducing the ECD conditional grant

The ECD conditional grant introduced in 2017 was largely aimed at increasing the number of subsidised children in ECD programmes. Receipt of the grant by a province was conditional on there being no reduction in the level of expenditure on this service outside the grant. The conditional grant amount nationally rose from R318 million in 2017/18 to R518 million in 2019/20, a 63% increase, and was expected to reach R1,057 million in 2021/22. The 2019/20 expenditure figure translates to around 115,000 child recipients. But the intention was for 20% of the conditional grant to flow towards upgrading facilities at ECD programmes[79], meaning the expected subsidised children in 2019/20 would be just over 90,000.

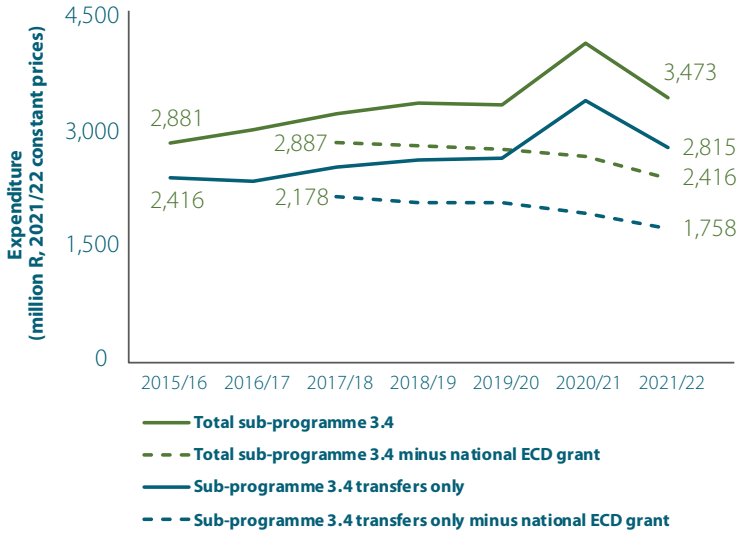
There has been partial success in raising levels of financing for the ECD programme subsidy through the conditional ECD grant. Figure 18 compares provincial social development sub-programme 3.4, which funds ECD programmes, to the conditional grant amount, with respect to both the total for the sub-programme, and just the 'transfers and subsidies' part. While the introduction of the national grant in 2017/18 did coincide with a real increase in expenditure on ECD programmes, this increase was smaller than one might expect if there was no displacement of the original expenditure levels. Subtracting the conditional grant amount results in a slight decline in expenditure between 2017/18 and 2021/22 in real terms. The conditional grant has thus not been as successful as intended in increasing the coverage of

79 This is made explicit in the 2018/19 Estimates of National Expenditure of National Treasury.

the ECD programme subsidy.

Higher expenditure on the ECD programme subsidy is likely to have displaced privately funded participation, as opposed to increasing the total number of children in ECD programmes. It is noteworthy that in recent years, specifically since 2016, there appears not to have been a statistically significant increase in ECD programme participation nationally, according to household survey data (Wills et al, 2021)[80]. This points to a first displacement risk, namely that increased public funding on the subsidy may displace private fee expenditure. However, this is desirable, at least as far as low-income beneficiaries are concerned[81]. A second risk is that provinces have, to some extent, substituted equitable share funding with conditional grant funding. Regardless, it cannot be assumed that more public funding will automatically result in proportionally higher levels of ECD participation nationally.

Figure 18 Hypothetical ECD programme expenditure without the ECD conditional grant



Source: National Treasury (Excel EPRE file published 2021).

Provincial differences in expenditures

Expenditure on grade R in ECD programmes notably differs across provinces. While 100% of Western Cape's fairly sizeable 'Grade R in ECD programmes' expenditure takes the form of

80 Specifically, the 2014 to 2019 trend for children ages 0 to 6 enrolled in ECD centres is estimated to have remained in the range 41% to 45% (Wills et al., 2021).

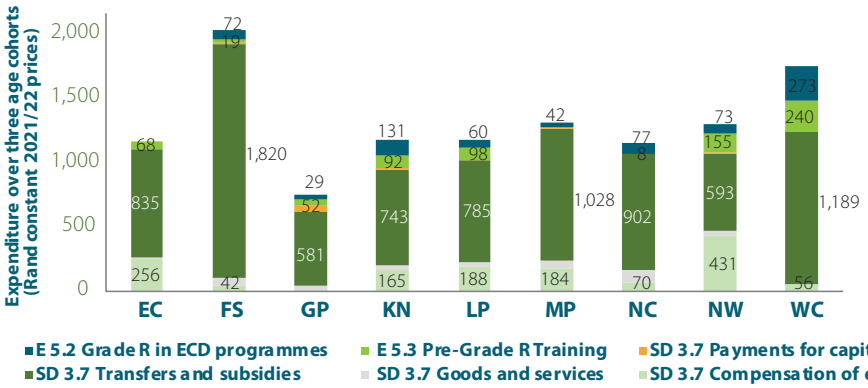
81 The displacement of private fees is also likely, given that the general pattern is for fees in subsidised centres to be lower than in non-subsidised centres, and given the large numbers of existing centres which are eligible for the subsidy, but have not been receiving it.

transfers and subsidies, and the same can be said for Mpumalanga's much smaller expenditure amount, almost 100% of this expenditure in KwaZulu-Natal takes the form of compensation of employees, meaning expenditure on employees employed directly by the PDoE.

Transfers and subsidies to ECD programmes dominate expenditure across all provinces. The breakdown of national expenditure on ECD programmes below is relative to each province's population ages 2 to 4, so three age cohorts. (Figure 19). Transfers and subsidies, as a proportion of the total, is highest in Free State at 78%. It is also noteworthy that this province spends the most relative to the child population. It is probably not a coincidence that Free State also displays the country's best outcome when it comes to ECD programme participation among children[82]. Free State's advantage in this regard appears not to be new: household survey data point to exceptionally high participation rates in Free State over at least the last decade. How this was achieved is not well understood, but the province's advantage appears to be sustained by relatively generous expenditure.

The share of expenditure that goes to employee compensation differs substantially across provinces. One striking pattern within the sub-programme 'ECD and partial care' is that the proportion of expenditure devoted to compensation of employees differs vasty across provinces, from less than 3% in the case of Free State and Gauteng, to over 15% in Eastern Cape, KwaZulu-Natal, and Limpopo and as much as 40% in the North West (Figure 19). Some of these differences are likely to be explained by differences in accounting practices. However, it is also likely that they reflect real differences in how provinces deliver services.

Figure 19 Provincial breakdown of expenditure on ECD programmes in 2021/22



Source: National Treasury (Excel EPRE file published 2021).

Note: 1) 'E' stands for education sector and 'SD' for social development sector.

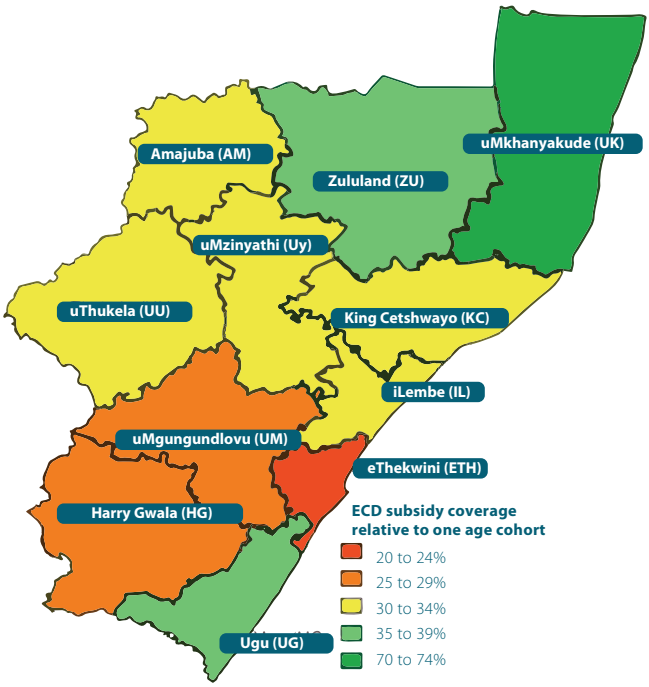
82 See for instance Children Count (2019: 40).

As discussed earlier (section 3.2), participation in ECD programmes below grade R is lower among children from poor families than among their peers from better off families. Public funding of ECD programmes needs to favour the poor if government is to address this inequity, but data to assess the progressiveness of expenditure on ECD programmes is not readily available[83]. However, KwaZulu-Natal stands out in that up to 2018/19, its PDSD published the number of subsidy recipients per ECD programme in its annual report. Such information is not easily found for other provinces, in any document, and even KwaZulu-Natal seems to have stopped releasing this information[84]. Moreover, KwaZulu-Natal was the only province where data extracts from the government's financial system, made available for this review, permitted an analysis of expenditure at the levels of the district municipality and individual ECD programmes.

There is a small favouring of poorer districts in KwaZulu-Natal with respect to the ECD programme subsidy. The proportion of the age 4 cohort in KwaZulu-Natal that could be subsidised for each district municipality, given the level of subsidy funding in 2019/20, varies notably (Figure 20). The average for the province is 20.5%, in other words much lower than what would be needed to cover all children from poor households as 68% of individuals in the province were classified as suffering from poverty in 2016 (Statistics South Africa, 2017). Yet, what funding is available does not follow an overall geographical bias and the province's only metropolitan municipality, eThekwini, which includes the city of Durban, experiences the lowest level of funding relative to the population. There is a slight favouring of less advantaged districts, which is desirable. Whether exceptionally high levels of coverage, in particular those seen in uMkhanyakude district, are the result of deliberate planning or more idiosyncratic factors is not clear from available information. It is currently not possible to obtain geographical coordinates for all funded ECD programmes, which makes a proper evaluation of the equity of expenditure difficult. But it was possible to find geographical coordinates for 782 of the 2,852 ECD programmes appearing in KwaZulu-Natal's 2019/20 financial data[85]. The 782 programmes which could be linked across the two data sources were found to be spread fairly equitably within each district, relative to the distribution of primary schools, which are known to service almost all children of primary school age. This suggests that the inability to access a publicly funded programme, a problem which many poor households would experience, is not obviously worse in, for instance, rural areas in the province.

83 Largely because Statistics South Africa household survey data does not differentiate between participation in subsidised and non-subsidised ECD programmes.
84 It is absent in the provincial DSD 2020/21 annual report.
85 Coordinates were found using the 2013 ECD Audit data.

Figure 20 ECD programme subsidy expenditure relative to population across KwaZulu-Natal districts



Source: Calculations based on National Treasury (Excel EPRE file published 2021) and Statistics South Africa data.

Household expenditure on early learning

Almost all families with children attending ECD programmes pay a private fee. The ECD programme subsidy is widely considered insufficient to cover all costs in a programme as discussed earlier. According to analysis based on GHS 2019 data, only a small number of children do not pay any fees. For instance, no fees are paid for around 10% of children in the poorest households attending the crèche/educare centre type of establishment (Annex C). This could point to a small number of programmes covering all costs with the public subsidy, or to parents who for a period of time are exempted from paying fees due to difficult circumstances. The R1,400 a year paid on average in private fees for each subsidised child, is based on information that in subsidised centres, fee income comes to around a third of income from the subsidy. This information is from the relatively dated 2013 ECD audit conducted by DSD[86], but is corroborated by calculations using data from the 2021 ECD Census[87].

86 Analysis of the data behind Department of Social Development (2014).

87 The 2021 ECD Census asks: 'What is the maximum monthly fee per child?', using the responses to this question, the average maximum ECD fee charged is R509 per month (DBE, 2022) equivalent to R6,108per year for a child who attends for 12 months. The average maximum fee for a subsidised child is R208 per month and for an unsubsidised child R649 per month (DBE, 2022).

In the absence of the subsidy, poor households pay high fees for their children to attend ECD programmes. If around 1.7 million children are receiving the CSG and are also in an ECD programme as suggested by the GHS, and assuming that the approximately 626,000 beneficiaries of the ECD programme subsidy are also CSG recipients[88], then some 1.1 million children, who are attending a programme and arguably are eligible for the ECD subsidy, are not receiving it. While the analysis of household fee contributions does not differentiate between attendance in a subsidised versus an unsubsidised ECD programme (Annex C), it is relatively safe to assume that subsidised programmes would charge lower fees[89]. Using this assumption, annual fee payments per child for children attending unsubsidised programmes came to an average of R11,200 and a median of R4,800 in 2019[90]. The average becomes R6,300 if only the poorest 60% of member-weighted households are considered. The difference between fees charged in programmes with a subsidy, against those without a subsidy, is very large: among the poorest half of the population, programmes that do not receive a subsidy charge at least five times more than those that receive subsidies. This raises important questions around both the adequacy of the budgets allocated towards the ECD programme subsidy, and the progressivity of existing expenditure patterns. Further, available evidence suggests that within poorer communities, receipt of the ECD subsidy is more a matter of which ECD programmes succeed in complying with the standards required to apply for the subsidy (section 5.1), than of deliberate targeting.

Overall expenditure by households for early learning by far outweigh public expenditure on the early learning interventions. Public expenditure on the interventions came to around R9.5 billion in 2021/22 (Table 14), while total expenditure[91] by households for participation in any ECD programme or schools-based grade R, came to around R17 billion (Annex C). Total national household expenditure to attend ECD programmes is estimated at around R14 billion, of which R3.7 billion was spent by the poorest 60% of households, compared to total public expenditure of roughly R2.8 billion on the ECD programme subsidy. This is supported by some evidence from the 2021 ECD Census that the primary funding source for 69% of ECD programmes is fees (DBE, 2022).

88 The means test for the CSG and the ECD subsidy are similar.
89 Analysis using 2021 ECD Census data corroborate this, although it asks about maximum fees charged.
90 Weighted estimates based on GHS 2019 data.
91 Payments over twelve months in a year is assumed. Insofar as holidays at the year-end may result in eleven months of fees charged, the estimates given here would be over-estimates. At the same time, the low representation of exceptionally high fees in the data for wealthy households would result in the totals being under-estimates. The estimates provided here used an adjustment that takes into account the fact that GHS weights over-state the number of children participating in the early learning bucket.

6. Family support

This chapter examines expenditure on financial and non-financial support to families and young children, which can serve an important role in improving early nutritional and learning outcomes. It begins by exploring barriers faced by families trying to access the three child grants, including the child support grant as this is by far the largest intervention examined in terms of budget. Next, the flow of funds for the family support interventions is discussed before examining expenditure on the interventions, as a group and individually.

Box 11 Key adequacy, efficiency and equity issues for public expenditure on family support

Adequacy

- Coverage of the child support grant for new-borns (0-12 months old) is lower than intended. However, levels of coverage of the grant, after initial delays have been resolved, are adequate. Among children ages 1-5, coverage is around 70% which would appear to capture the 56% of children living below the upper-bound poverty line[92].
- The CSG amount is inadequate to cover a basic per child food cost even if a family were to spend the full amount on food for the child beneficiary. In 2021, the CSG amount was equivalent to 74% of the per capita food cost used for Statistics South Africa's food poverty line.

Efficiency

- There are delays in initial receipt of the CSG, which can restrict families' ability to provide adequate nutrition during a child's first year. In 2019, the coverage of the child support grant at age 0 as a proportion of average coverage at ages 1 to 3 stood at 82%, declining to 74% in 2021 during the COVID-19 pandemic. The two main reasons for the initial delay are difficulties in acquiring the documentation required to apply for the grant, including obtaining a birth certificate, and the need to apply for the grant in-person at a SASSA office, which is especially challenging for new mothers.
- Expenditure on care and services to families is low despite it including parenting programmes which are considered one of the ECD interventions with the highest rate of return.

Equity

- Some of the poorest the poorest children are less likely to access the CSG. In 2019, only an estimated 74% of the poorest decile of children in the age group 1-5 accessed the grant nationally although being eligible, indicating the need to provide additional support to the most disadvantaged families to access the grant.
- Despite a uniform system, CSG coverage for poor children differs substantially across provinces. Coverage of the grant for the poorest 40% of young children is only 67% in Gauteng, 76% in Western Cape and 80% in North West. Even in the highest coverage state, Eastern Cape, 9% of this group of children are not accessing the grant.

92 Targeting of social assistance grants in South Africa is generally considered effective (World Bank, 2021).

6.1 Accessing the child support grant

South Africa has a comprehensive social security system comprising three main parts: social assistance, which includes social grants of various kinds; statutory funds such as the Unemployment Insurance Fund (UIF); and voluntary funds, for example, retirement funds. Social assistance grants account for the largest parts of this system in terms of both budget and coverage, with one in three South African's directly benefitting from a social grant (World Bank, 2021).

The social grants include the three grants for children, collectively known as the 'child grants'. In 2021, among young children (ages 0 to 5), approximately 4.2 million were in receipt of the Child Support Grant (CSG); 19,115 received the Child Dependency Grant (CDG); and 11,394 benefitted from the Foster Child Grant (FCG) (Table 18). In 2021/22, the amounts per month were R460 for the CSG which was raised to R480 from April 2022, R1,050 for the FCG and R1,890 for the CDG (Table 16)[93].

Delayed receipt of the child grants after birth can restrict families' ability to provide adequate nutrition. It may also lead to mothers having to go back to work earlier than planned, which may disrupt breastfeeding, create childcare challenges and make it harder to fulfil other health needs such as clinic visits for post-natal care and infant vaccinations (Luthuli et al., 2022).

The main barriers to accessing the child support soon after birth are obtaining the required documents and the need to apply in-person at SASSA offices. SASSA was established in 2006 to ensure effective administration and payment of social assistance, including the child grants (Annex E). The processing of child grant applications once received by SASSA is highly efficient. In 2019/20, SASSA processed 99% of all new grant applications within ten days and 86% within one day, and this rate was similar across the nine provinces (SASSA, 2020)94. However, many families face challenges prior to the application submission, causing delays in accessing the child grants, which can have substantial and long-lasting consequences for children's development. The two main challenges are the time and costs for families to gather the required documentation from various locations, and the need to make applications in-person at SASSA offices (Luthuli et al., 2022; World Bank, 2021).

For all three child grants, families are required to provide identity documentation for the applicant and a birth certificate for the child, specific documentation relating to each grant and proof of income for the means testing for the CSG and CDG, but not for the FCG (Table 16). Each of these documents can require one or several trips to obtain or replace an ID; to obtain notarised bank and income statements; and a birth certificate (Luthuli et al., 2022). Even though

93 These amounts, which increase each year, are less systematically reported on in government systems and websites than one might expect.

94 The processed applications may include some rejections and requests for further documentation.

most women give birth at a hospital or health facility (section 3.2), a considerable proportion of births (20% before the pandemic and 29% during) are not registered until 30 days or more after occurring (Stats SA, 2020)95. Travelling to each of the required locations, especially from rural areas, is costly, time-consuming and challenging, especially for new mothers. Other factors, including a lack of understanding of the document requirements and application process can mean trips need to be made multiple times (Luthuli et al., 2022).

Beyond documentation, the need for in-person applications may be limiting the coverage of the CSG for the youngest children. Applications need to be made in-person at one of the 389 local SASSA offices (World Bank, 2021). Families face various financial and logistical challenges in travelling to offices, especially new mothers. Currently, electronic applications are not possible, however, there have been some promising advances on this during the pandemic when local offices closed, and SASSA had to rapidly develop a new electronic application and registration system to handle the millions of applications for the special COVID-19 grant. Under that system, applicants sent in their application forms and supporting documentation via WhatsApp, text messages, Unstructured Supplementary Service Data (USSD) or online (World Bank, 2021).

Table 16 Child grants: amounts and documentation requirements

	Child support grant	Care dependency grant	Foster child grant
Amount per child per month for 2021/22	R460 FY2021/22 (R480 from April 2022)	R1,890	R1,050
Nationality	Applicant must be South African citizen, permanent resident or refugee		
Residence	Both applicant and child must be resident in South Africa		
ID	Identity document or smart ID card; birth certificate for child		
Means tested	Yes		No
Verification of income	Yes, notarised bank and income statements		Not applicable
Income threshold for means testing	R52,800 per year (single); R105,600 per year (married)	R223,200 per year (single); R446,400 per year (married)	
Grant specific documents	Confirmation that applicant is the child's primary caregiver	Medical report confirming child's permanent severe disability	Court order indicating foster care status

Source: SASSA (2020c); World Bank (2021).

95 One reason is that many of the health facilities where births take place do not have Department of Home Affairs (DHA) service points for new mothers to register the births on-site (Ilifa Labantwana, 2019)

There has been a shift within the social assistance system towards paying grants electronically, including the child grants. This has made it possible to pay millions of people quickly and to ensure funding reaches the intended beneficiaries. Today, the vast majority of payments are made electronically via SASSA debit cards (Mastercard) which can be used at any Automated teller machine (ATM) and major retailers, or to the applicants' own bank accounts. However, a small number of beneficiaries, mainly in rural and remote areas remain outside the banking system and cannot receive grants electronically and therefore, retrieve their payments in person at a physical pay-point. SASSA is currently exploring further expansion of cash send/mobile money options (World Bank, 2021).

Box 12 Promoting language and literacy skills through a family literacy programme in South Africa

Nal'ibali (isiXhosa for 'here is the story') is a national reading-for-enjoyment campaign which seeks to spark a love for stories in all South African languages, build language and literacy skills and promote lifelong reading cultures in homes, schools and communities across the country. One of the four programmes offered by Nal'ibali, the Family Literacy Programme, is directed at families. Participants are reached through schools, ECD programmes, NGO partners, clinics and social grant pay-points.

The programme provides training to parents, grandparents and guardians in low and middle-income households nationwide on how to read to and with children, and how to encourage children to read by themselves. Participants are taught how to monitor the development of reading skills using tools such as reading journals and are provided with mentorship support through home visits and workshops while feedback sessions take place through learning and sharing platforms.

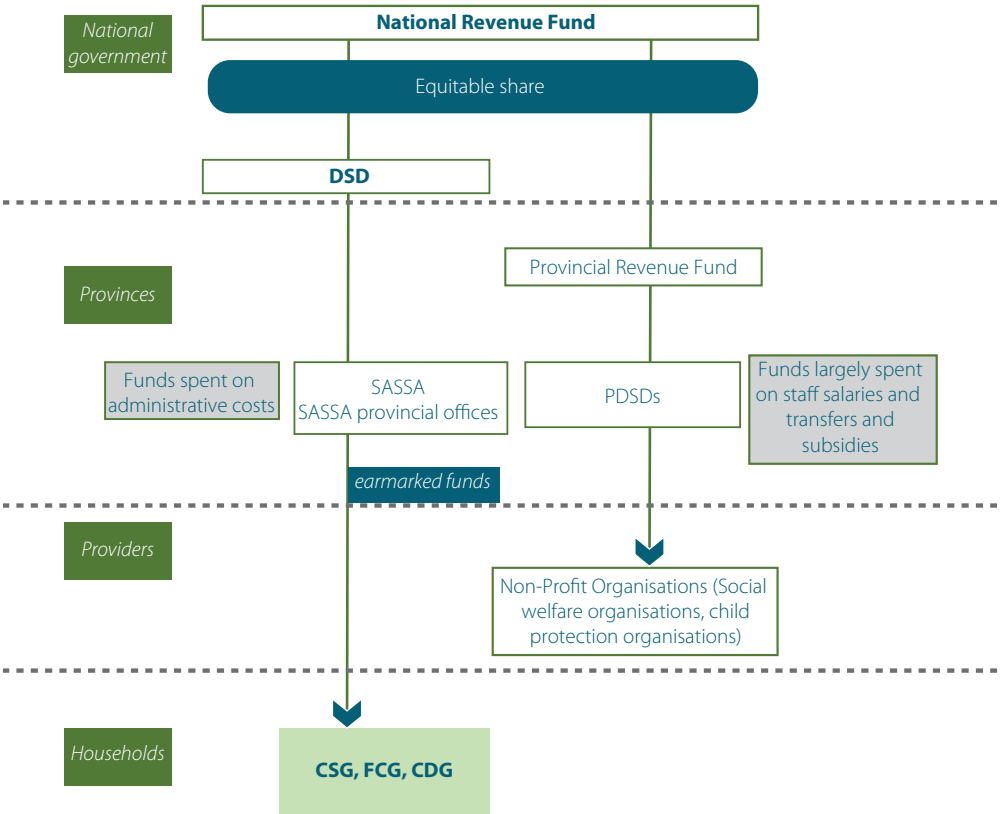
Source: https://nalibali.org/programmes.

6.2 Flow of funds for the family support interventions

The main funding source for the family support interventions is the equitable share with two distinct funding flows. First, the unconditional earmarked funding for the CSG, FCG and CDG flow from the national revenue fund through the DSD to provincial South African Social Security Agency (SASSA) offices which administer these funds to grant recipients (Figure 21). Second, funds flow from the national revenue fund to the provincial revenue fund through the equitable share to PDSDs which use some of this, mainly for staff salaries. But the bulk of the funds flow from PDSDs to NPOs such as social welfare and child protection organisations, in the form of transfers and subsidies.

Provinces, in theory, have significant autonomy over the use of this funding, however, aside from the three grants, it is not earmarked for care and protection services for young children, and in practice the ability to redirect this funding is limited due to existing staff salary commitments, including for social workers, nurses and child and youth care workers.

Figure 21 Flow of funds for the family support interventions



Source: PEIR team based on document review and key informant interviews at national and province levels.

6.3 Expenditure on the family support interventions

Expenditure on the family support interventions is largely not reported in a manner that is specific to ages 0-5. The approach taken here is to report first on the relevant aggregate expenditure figures, as published in the budgets, and then to separate out expenditure on younger children, while explaining the methodology used for this.

In 2021/22, R81 billion was spent on South Africa's three child grants: the widely distributed Child Support Grant (CSG), as well as the more narrowly distributed Foster Child Grant (FCG) and Child Dependency Grant (CDG) (Table 17). These grants, which officially cover children until they turn 18, constitute three of eight sub-programmes referring to eight major social grants in budget programme 2, titled 'Social assistance' of DSD. While the CSG is a general grant directed at children in poor households, the FCG is for any child in foster care, regardless of the income of the foster parent, and the CDG is directed towards children with a disability in poor

households96. Only one of the three grants can be received per child. The grant amounts shown are classified as 'transfers and subsidies to households', though the amounts are transferred from DSD to SASSA, which then distributes to grant recipients. Expenditure on the child grants has not suffered unduly as a result of recent fiscal constraints. Expenditure on the child grants as a proportion of government non-interest expenditure increased before the pandemic from 4.7% in 2017/18 to 5.0% in 2019/20 but returned to 4.7% in 2021/22. The clear spike in CSG expenditure in 2020/21 reflects 'top-up amounts' paid to households to alleviate the economic shock of the initial months of the COVID-19 pandemic.

Expenditure on the examined family support interventions outside the child grants is by PDSDs under programme 3 'Children and families' and totalled almost R5.3 billion in 2021/22 (Table 17) with relatively little variation over the last five years. Expenditure is highest for the sub-programme 'Childcare and child protection' at R2.3 billion followed by R1.6 billion spent on the sub-programme 'Child and youth care centres'. Expenditure for the other two PDSD sub-programmes is notably smaller at R680 million for 'Care and services families' and R655 million for 'Community-based care services for children', indicating that expenditure to some extent, favours remedial over preventative services. Although designated Non-Profit Organisations (NPOs) provide the bulk of services under 'Care and services to families', 'Child and youth care centres' and 'Community-based services for children', transfers and subsidises to NPOs accounted for 47% of total expenditure on these three sub-programmes, suggesting a possible misalignment between funding allocated and services provided.

96 See for instance *Twelfth Statistical Report: Payment system. Period March 2021* published on the SASSA website.

Table 17 Expenditure on the family support interventions by sub-programme 2017/18 to 2021/22

R million at constant 2021/22 prices	2017/18	2018/19	2019/20	2020/21	2021/22
Social development sector: 0-18 years					
National Department of Social Development within programme 2 'Social assistance'					
Foster child	**6,263**	**5,907**	**5,938**	**5,270**	**4,338**
Care dependency	**3,417**	**3,544**	**3,962**	**3,727**	**3,658**
Child support	**67,179**	**70,007**	**77,828**	**88,655**	**73,318**
Total national department of social development	76,859	79,458	87,728	97,652	81,314
Provincial social development departments: programme 3 'Children and families'					
3.2 Care and services to families	**531**	**547**	**670**	**715**	**681**
of which: Compensation of employees	238	262	366	316	299
of which: Transfers and subsidies	277	270	289	368	373
3.3 Childcare and child protection	**2,074**	**2,406**	**2,373**	**2,377**	**2,322**
of which: Compensation of employees	1,517	1,812	1,785	1,832	1,821
of which: Transfers and subsidies	486	488	499	487	462
3.5 Child and youth care centres	**1,592**	**1,464**	**1,698**	**1,597**	**1,640**
of which: Compensation of employees	715	601	583	534	558
of which: Transfers and subsidies	617	602	749	758	762
3.6 Community-based care services for children	**844**	**371**	**466**	**617**	**655**
of which: Compensation of employees	68	68	117	122	112
of which: Transfers and subsidies	265	239	262	259	273
Total provincial social development departments	5,041	4,788	5,207	5,306	5,298
Grand total	**81,900**	**84,246**	**92,935**	**102,958**	**86,612**

Source: National Treasury (ENE of 2021 and Excel EPRE file published 2021).

The cost of administering the child grants is not easy to quantify. This is largely because the way in which expenditure on these grants is accounted for. It has been estimated that the monthly cost of administering a person's grant is around R36. This would be equivalent to 8% of the monthly value of the CSG. Some analysis finds that administration costs associated with the payment of South Africa's social grants have declined over time and are not high relative to what is found in other countries, though regions such as Latin America have displayed lower levels of administration costs (World Bank, 2021).

Systematic reporting on numbers of grant recipients, including by age, exists. Monthly SASSA reports, though not available for every month, have been fairly systematically produced since

2020. For ages 1-5, over 700,000 children per age cohort were benefitting from a child grant in 2021/22. This is over 70% of children in this age range. The number is lower for children aged 0 (see below). As each child can benefit from just one of the child grants, there should be no double-counting (Table 18). Among children ages 0-5 in 2021, just over 99% of beneficiaries were receiving the CSG, as opposed to the other two grants. Access to the other two grants increases somewhat with age: for all child beneficiaries, the CSG accounts for almost 97% of the total. But the CSG 'only' accounts for 90% of total expenditure on the child grants, as its monthly amount is relatively low compared to the other two grants.

Expenditure and beneficiary numbers are aligned as one would expect. Dividing the R73,318 million total expenditure figure by the 12,992,678 CSG beneficiaries reported by SASSA (Table 17 and Table 18), produces R470 a month, not far from the actual R460 received by beneficiaries. The number of beneficiaries may of course vary slightly by month. Thus, on the whole, National Treasury expenditure and SASSA beneficiary numbers tally.

Table 18 Officially reported beneficiaries of child grants by age 2019 and 2021

	April 2019	March 2021			
	Child support	Foster child	Care dependency	Child support	Total
0	573,115	143	435	550,341	550,919
1	694,560	669	1,694	746,341	748,704
2	690,117	1,356	2,863	746,412	750,631
3	711,758	2,122	3,782	727,312	733,216
4	778,700	2,882	4,518	709,859	717,259
5	780,812	4,222	5,823	727,675	737,720
Older than 5	8,258,903	298,061	131,041	8,784,738	9,213,840
Total	**12,487,965**	**309,455**	**150,156**	**12,992,678**	**13,452,289**

Source: SASSA Statistical Report: Payment system of March 2020 and March 2021.

Expenditure on the CSG for children ages 0-5 in 2021/22 stood at R23,746 million compared to expenditure of R466 million on the CDG and R160 million on the FCG (Table 19). Thus, expenditure on the child grants for this age group came to 0.4% of GDP. This statistic could serve as a useful benchmark to establish scenarios for the future.

Total expenditure likely to flow to young children under the four PDSD sub-programmes was about R1.7 billion in 2021/22 (Table 19), equivalent to a mere 0.03% of GDP despite the urgent need to substantially expand care and protection services for young children (Jamieson, Sambu and Mathews, 2017). 'Childcare and child protection' services and 'Child and youth care centres' together account for the largest shares of total expenditure at 44% and 31% respectively. The remaining 25% are split roughly evenly between 'Care and services to families' (R221 million) and

'Community-based care services for children' (R213 million) even though the former includes parenting programmes which are considered among the ECD interventions with the highest rates of return (section 2.1).

Table 19 Expenditure on the family support interventions for young children 2021/22

R million	2021/22
National Department of Social Development	
Foster child	160
Care dependency	466
Child support	23,746
Total national department of social development	24,371
Provincial social development departments: programme 3 'Children and families'	
3.2 Care and services to families	221
3.3 Childcare and child protection	755
3.5 Child and youth care centres	533
3.6 Community-based services for children	213
Total provincial social development departments	1,722
Grand total	**26,093**

Source: National Treasury (ENE of 2021 and Excel EPRE file published 2021); SASSA Statistical Report: Payment system of March 2021.
Note: 1) Expenditure on the three child grants reflects expenditure directed to children ages 0-5, using SASSA beneficiary numbers for disaggregation. 2) For the PDSD sub-programmes the share likely to flow to children ages 0-5 is estimated as number of children ages 0-5 over the number of children ages 0-18 using Statistics SA MYPE data (32.5%).

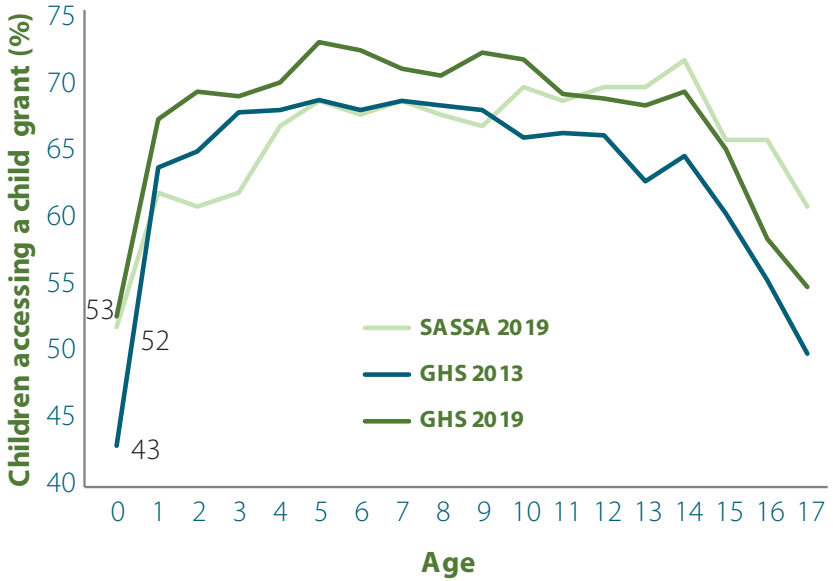
Grants such as the Older Persons Grant (OPG) indirectly assist the welfare of children. What is under-researched is how different social grants interact to reduce household poverty, and what the policy implications are of this. In households with children ages 0-5, total income from the OPG, the mostly costly of DSD's eight grants, amounts to 56% of the total income received from the CSG. In around 25% of households with children in the relevant age group receiving the CSG, the old age grant was also received. The average monthly amount of the latter came to R1,890 in 2021, or four times the amount of the CSG[97].

Adequacy of coverage of the child grants

Official grant reports under-estimate coverage of the child grants. The SASSA monthly reports include as an age-specific indicator, beneficiaries of any child grant as a proportion of the relevant population. For ages 1 to 9, these are 3-9 percentage points lower than what is found using GHS data (Figure 22). The values derived from the GHS data can be considered more reliable[98]. The issue with the values published in the SASSA reports is that the official mid-year population estimates (MYPE) used for the denominator are almost certainly over-estimates[99], thereby resulting in under-estimates of grant coverage.

97 Weighted estimates based on GHS 2019 data.
98 There is no plausible reason why household responses in the GHS, or the GHS sampling, would distort the coverage statistics. Both the GHS and the MYPE are produced by Statistics South Africa.
99 This has been confirmed in the context of school participation statistics, where similar discrepancies have been found (Gustafsson, 2009).

Figure 22 Coverage of the child grant by age using different data sources



Source: SASSA (2020), weighted estimates based on GHS 2019 data.

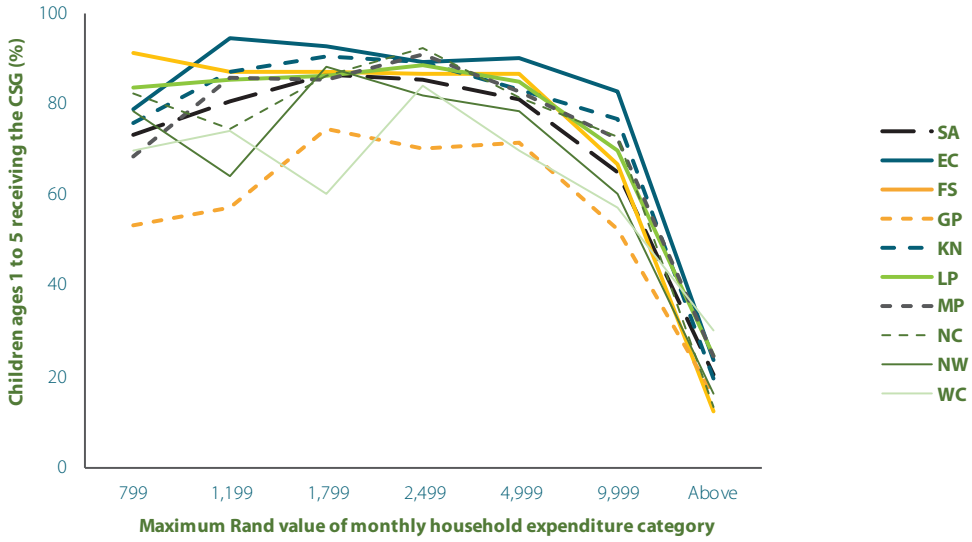
Delays in the initial receipt of the CSG following birth is a widely acknowledged problem. One indicator of this is the number of beneficiaries aged 0 divided by the average coverage for children ages 1 to 3. Over the longer term there has been an improvement in this indicator from 66% in 2013 to 78% in the 2017 to 2019 period. This improvement was likely linked to improvements in the timeliness of birth registrations, between 2014 and 2020 the proportion of registered births within 30 days of occurrence rose steadily from 60% to 80% (Statistics South Africa, 2021).

The problem of low CSG coverage for age zero appears to have worsened during the pandemic. To remedy the delays in the initial receipt for the CSG following birth is a priority in the government's high-level five-year plan for the 2019 to 2024 electoral cycle (DPME, 2018). Age 0 coverage as a proportion of ages 1 to 3 coverage stood at 82% in 2019 but was down to 74% in 2021. Statistics South Africa has reported that during the pandemic, and especially during periods when stringent lockdown and distancing rules applied, birth registration within the required 30 days became less likely (Stats SA 2021). The proportion of registered births within 30 days of occurrence was 71% in 2020, down from 80% in 2019 (Stats SA, 2020; Stats SA, 2021). However, 96% of births were registered within 0 to 364 days in 2020 compared to 92% in 2019. This, combined with the fact that 99% of new grant applications were processed by SASSA within ten days, suggests that increased difficulties acquiring the documents required to apply for the CSG during the pandemic was a main reason for the decline in coverage.

Levels of coverage of the child grants, after initial delays have been resolved, appear to be adequate. For ages 1 to 5, around 70% of children receive some type of child grant (Figure 22), in the same year, 27% of children ages 0 to 5 lived below the food poverty line and 56% below the upper-bound poverty line[100]. Thus, a 70% coverage of the child grants appears to adequately capture children living below the food poverty line, and even the upper-bound level of poverty. However, as discussed later, the amount of the CSG is inadequate to tackle food insecurity fully.

The poorest decile of households face difficulties in accessing the child support grant. Nationally, the CSG coverage for the 10% most economically disadvantaged children (monthly expenditure less than R1,199) is lower than for eligible children from more advantaged households (Figure 23). For instance, in 2019, only an estimated 74% of the poorest children accessed the grant. At the same time, in 2020, the maximum income per caregiver permitted was around R53,000 per year (Table 16), and one would therefore expect CSG coverage for households with monthly expenditure categories above R10,000 to be zero but it is around 20%. This means that some children who do not qualify for the CSG receive it. Addressing these errors of exclusion and inclusion would benefit children most at risk, and improve the efficiency of expenditure, which is key in an environment of limited resources. Still, overall targeting of the CSG is very good compared to in many other countries (World Bank, 2021).

Figure 23 CSG coverage by province and household poverty level 2019



Source: Weighted estimates based on GHS 2019 data.

100 Weighted estimated based on GHS 2019 data.

Coverage of the CSG for the poorest 40% of young children is lowest in Gauteng, Western Cape and North West. Despite a uniform system, grant coverage among the poor is lower in the 'rich' provinces. In particular, children ages 1-5 are less likely to be CSG recipients in Gauteng, relative to children in similarly poor households in other provinces (Figure 23)[101]. To some extent, the same can be said of the Western Cape. These two provinces have GDP per capita ratios that are considerably higher than those of other provinces[102]. A possible explanation is that households in the richer provinces have easier access to assistance and loans from other households within the extended family network and are thus under less pressure to apply for a child grant. However, these differences across provinces appear not to have been examined in depth. Apart from coverage in Gauteng and Western Cape emerging as relatively low, this also appears to be the case in the North West, where only 80% of children among the poorest 40% access a child grant, against at least 87% in the remaining six provinces (Table 20)[103].

Table 20 Child grant coverage for the poorest 40% of children ages 1-5 by province 2019

	Child support	Foster child or Care dependency	Total
EC	91%	0.0%	91%
FS	88%	0.6%	88%
GP	67%	0.4%	67%
KN	89%	0.4%	89%
LP	87%	0.1%	87%
MP	87%	0.9%	88%
NC	89%	0.0%	89%
NW	80%	0.0%	80%
WC	76%	1.8%	78%
Total	84%	0.3%	84%

Source: Weighted estimates based on GHS 2019 data.
Note: 1) 95% confidence intervals are relatively wide, for instance 83% to 90% for Limpopo. 2) This table draws from the four bottom expenditure categories of Figure 23, which jointly account for the poorest ~40% of children ages 1 to 5.

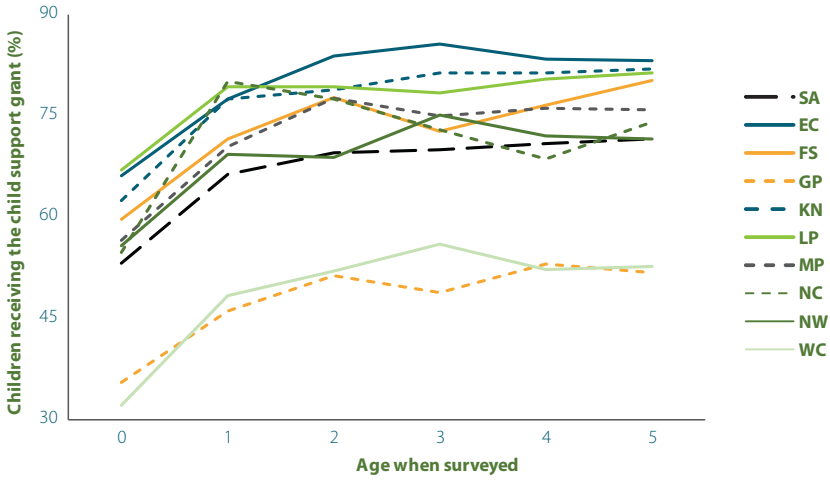
Delayed initial receipts of the CSG is a problem in all provinces but the reasons for it are not well understood. What appears to be fairly uniformly distributed across provinces is the lower level of grant coverage at age 0 (Figure 24). But there is some variation. For instance, age 0 recipients divided by the average across ages 1 to 3 ranges from 62% in Western Cape to 85% in Limpopo, pointing to larger delays in the former. No strong correlation emerges between

101 The GHS is a useful, but not ideal, survey for examining household income and expenditure. Household expenditure and not income is used here, as this is generally considered more reliable in the GHS, yet eligibility for the CSG rests on income factors.
102 At least 23% higher than for the other seven provinces, according to the article 'Four facts about our provincial economies' on the Statistics South Africa website.
103 A similar pattern emerges if the GHS 2018 data are used, suggesting this phenomenon is real and not simply a sampling issue.

delays in accessing the CSG and delays in birth registration by province[104]. While delays in birth registrations seem to play a role, so do other factors as discussed earlier (section 6.1).

The exact reasons for late birth registration are not clear. Late birth registration is by far most serious in KwaZulu-Natal, where only 69% of births were registered within 30 days of occurrence in 2018. The second-worst province was Gauteng, with 76%, and the national average was also 76%. Despite especially serious delays in birth registrations in KwaZulu-Natal, this province displays a CSG under-coverage problem for age 0 which is about average (age 0 coverage is 79% of the average coverage for ages 1 to 3). A comprehensive analysis of the factors behind this problem does not seem to exist, though the 2018 birth registrations report suggests that younger mothers experience delays to a far greater degree, and should be targeted by any intervention (Statistics South Africa, 2019).

Figure 24 CSG beneficiaries by province and age 2017-2019



Source: Estimates based on pooled GHS 2017 to 2019 data with each year weighted equally.

Adequacy of the child support grant amount

Though the purchasing power of the CSG has risen, this increase lags behind increases in average public servant pay. The purchasing power of the CSG has risen almost uninterruptedly since the grant was introduced in 1998 (Figure 24), whether the general consumer price index (CPI) or the food component of this is used[105]. Given the emphasis in the review on the problem of malnutrition among young children, the food component is of

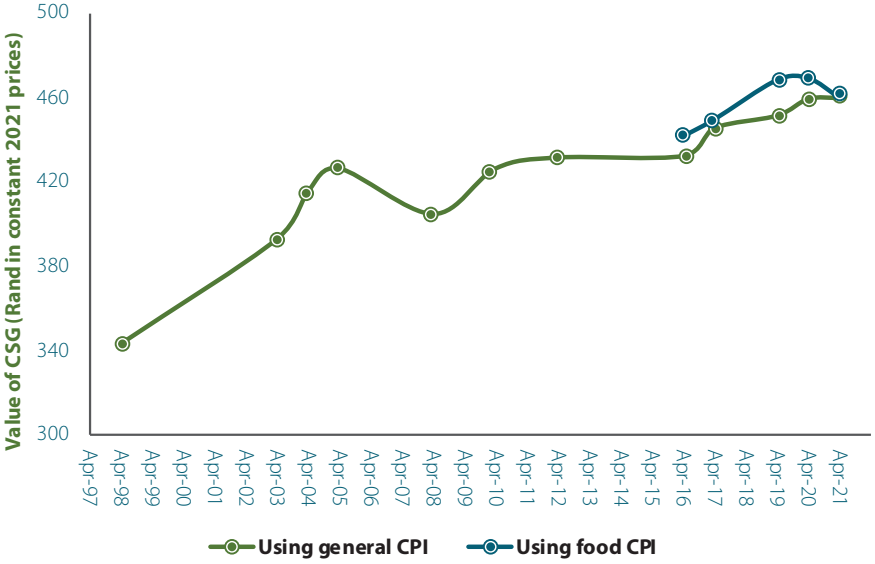
104 For instance, the correlation between the nine indicators of under-coverage at age zero and nine indicators of birth registration occurring within the required 30 days (Statistics South Africa, 2019) is -0.04, or effectively zero.

105 CPI, compared to the GDP deflator used in the rest of this analysis, produces a slightly flatter series of price changes. Specifically, in a comparison of 2017 to 2021 prices, the GDP deflator produces 2021 prices which are 3% higher than those produced using CPI.

special relevance. The real increase over the whole 1998 to 2021 period is 34%. This is slower than growth in average remuneration in the public sector, which was around 47% in real terms for just the 2006 to 2019 period (MTBPS, 2020). Over that period the CSG amount increased by 6% in real terms. This comparison is made given the argument often put forward by the government in recent years that wage growth in the public sector has adversely affected what government can spend on the non-wage inputs of service delivery[106].

The CSG amount is inadequate to cover a basic per child food cost. Arguments to increase the amount of the CSG to at least the Statistics South Africa per capita food cost are compelling. While it is very unlikely that all of the CSG would be spent on food for the child beneficiary, it is instructive to compare the grant amount to estimates of what it costs to feed a child adequately per month. In 2016, the CSG amount came to 70% of the per capita food cost used for Statistics South Africa's food poverty line (Devereux and Waidler, 2017). With recent increases in the purchasing power of the CSG, that figure would have risen to 74% in 2021[107]. Thus, even if a family were to spend the full grant amount on food for the child beneficiary it would not be enough.

Figure 25 Trend in purchasing power of the CSG



Sources: UNICEF (2019); www.sassa.gov.za; Statistics South Africa CPI publications.
Note: 1) Years without markers were often years when the value changed, even if this is not reflected here. 2) A shorter period is covered using the food CPI because a long series of data for this component is not readily available.

106 See for instance the February 2020 Budget Speech of the Minister of Finance.

107 Statistics South Africa's food cost figure, which comes to R624 in 2021 prices, is not that different from a comparable R655 estimate for 2021 of Pietermaritzburg Economic Justice and Dignity (PEJDG), a non-government research body (PEJD Group, 2021).

Most of the historical CSG expenditure increase has been driven by an expansion in coverage. While the recent 2017 to 2021 expenditure trend for child grants has been relatively flat in real terms, as discussed earlier, the longer-term trend has been a steep upward one. In particular, expenditure on the CSG increased by 42% in real terms between 2010 and 2021. Analysis of the underlying beneficiary numbers and grant amount indicates that around 80% of this real expenditure growth can be attributed to increased coverage, while 20% is accounted for by improvements in the purchasing power of the grant. This analysis suggests that the priority for the coming decade needs to be different to that of the past decade. Since 2010, the emphasis has largely been on expanding the coverage of the CSG. But coverage is now roughly at a desired level, for ages 1-5, whereas the amount of the grant is considered inadequate.

Demographic trends could make it easier to increase the amount of the CSG. Raising the amount of the CSG will not be easy unless the economic outlook improves. Yet, the demographic trends could facilitate this. According to the 2019 World Population Prospects[108] of the United Nations Population Division, the population ages 0-4 in South Africa is expected to decline by 3% between 2020 and 2030. In the following decade, 2030 to 2040, numbers are expected to remain constant[109]. The population decline to 2030 suggests the amount of the CSG could be increased, assuming three things: age 0-5 child grant expenditure over GDP remains at the 0.4% level referred to above; GDP growth rates as currently projected by National Treasury are realised; and no increase in coverage levels occurs. It is estimated that with these assumptions, the purchasing power of the CSG could increase by 21% between 2021 and 2030, or to R558 at 2021 prices. This would still not bring the amount to the Statistics South Africa minimum food cost, but it would be 85% of this cost. Importantly, any increase in the CSG amount should be linked to interventions aimed at informing vulnerable households about good nutritional and care giving practices to achieve a greater impact on early nutrition.

108 https://population.un.org/wpp.
109 Like many developing countries, South Africa does not have its own official set of long-range population projections.

7. Early nutrition

South Africa suffers from a double burden of malnutrition, high levels of stunting and rising levels of overweight and obesity among young children, which has severe implications for their growth and development. To address this double burden, it is necessary to expand the coverage of nutrition interventions by the health sector, in addition to the nutrition interventions in the education and social development sectors discussed earlier. This chapter sets out the main entry points to access nutrition services and provides an overview of nutrition services reported by PDoHs. It then describes the flow of funds for and examines expenditure on the early nutrition interventions, including some provincial variations.

Box 13 Key adequacy, efficiency and equity issues for public expenditure on early nutrition

Adequacy

- Expenditure on the identifiable nutrition interventions is inadequate considering the high levels of stunting and food insecurity. In 2021/22, estimated total expenditure on the examined nutrition interventions for ages 0-5 corresponded to less than 2% of expenditure on the family support interventions and just over 5% of expenditure on the early learning interventions, and is barely detectable as a share of total public expenditure. This is despite investments in nutrition during the early years being one of the ECD interventions with the highest rate of return.
- There is insufficient expenditure on training for community health workers (CHWs). Currently, important nutrition issues, strategies and interventions are not part of the pre-service training programmes for CHWs, which has implications for the quality of services provided.

Efficiency

- In 2017, the South African Presidency released the *National Food and Nutrition Security Plan for South Africa: 2018-2023* which was meant to align work on food and nutrition security across sectors. But the envisaged multi-sectoral Food and Nutrition Security Council has not been established, and nutrition interventions remain fragmented and uncoordinated across the relevant sectors.
- Reporting by provincial departments on implementation of nutrition interventions (including beneficiary numbers and unit costs) and key nutritional outcomes for young children is patchy at best. This makes it difficult to monitor whether nutrition interventions are achieving their goals and to ensure efficient allocation of resources in budgeting and planning processes.
- Nutrition interventions are most critical during the first 1,000 days of a child's life. But expenditure on the early nutrition interventions mostly benefit older children within the 0-5 age group through the National School Nutrition Programme that covers children in grade R in public schools.

Equity

- Provincial health sector expenditure on the 'Nutrition' sub-programme albeit tiny, is not aligned with levels of food insecurity. For instance, expenditure per person under the food poverty line is 40 times higher in the Western Cape than in Limpopo although the latter stands out with food insecurity that is above the national level.
- Identifiable expenditure on nutrition interventions for young children is very limited. Moving forward any additional investment should be targeted to doubly disadvantaged children, that is, those who are both hungry and not attending any early learning programmes. These children would benefit the most from such interventions as would the country.

7.1 Entry points to access nutrition services

There are three main entry points for early nutrition interventions for young children, some of which are targeted to low-income families, while others are universal and do not require registration: (i) ECD programmes, (ii) primary health care facilities and (iii) home- and community-based services such as home visits by community health workers (CHWs) (May, Witten and Lake, 2020). Some nutrition services are also provided through district and regional hospitals and through the National School Nutrition Programme (NSNP) for children attending grade R in public schools. The key roles of ECD programmes and the child support grant (CSG) in reducing malnutrition among young children have been examined already (chapters 5 and 6), but are also referred to in this chapter given the complementary of the three buckets of interventions.

The National School Nutrition Programme (NSNP) covers quintiles 1, 2 and 3 public schools, including children in grade R in these schools, and some provinces also make provisions for children from low-income households that are attending quintile 4 and 5 public schools. The key pillars of the NSNP are: feeding – to provide nutritious meals to learners; nutrition education – to promote nutritional knowledge and healthy food choices; and sustainable food production in schools and skills transfer to schools and communities aimed at food security.

Primary healthcare centres (PHCs), and to some extent, regional/district hospitals, provide health and nutrition services for pregnant women and children. Direct and indirect nutrition services provided include monitoring of malnutrition during pregnancy, breastfeeding promotion, nutrition education, treatment of moderate and acute malnutrition and provision of vitamin supplements (DoH, 2013). However, the extent to which these interventions are implemented varies between provinces according to the reporting in provincial annual reports (see below).

Community and home-based visits are mainly led by Community Health Workers (CHWs) who deliver various direct and indirect nutrition services, including breastfeeding promotion and information campaigns on nutrition and vitamin supplementation. The services provided by CHWs are focused primarily on Human Immunodeficiency Virus (HIV)

and Tuberculosis (TB), and then on some maternal, new-born and child health and nutrition (MNCHN) services. These include immunisation and vitamin supplementation as well as general counselling, basic first aid and health referrals. Nutrition is included through pre-natal nutrition assessment and vitamin supplements, support with infant feeding, provision of vitamin A and infant growth monitoring (Roadmap for Nutrition South Africa, 2013). However, there does not seem to exist a standard service package at community level, and there is very little information available on what services families actually receive and the quality of those services[110].

7.2 Reporting on early nutrition interventions by PDoHs

The 2015 NIECD policy outlines a comprehensive package of ECD services that includes a strong focus on health and nutrition for pregnant women and children and outlines critical strategies for strengthening the National Food and Nutrition Security Plan. Although there is political support and partnerships for most existing and planned nutrition interventions in the health sector, there is insufficient financing and capacity (UNICEF, 2020). This is reflected in limited nutrition interventions for young children as reported by PDoHs.

Nutrition interventions by PDoHs largely take place under the budget programme 'District health services'. This includes the following sub-programmes: 'Community health clinics', 'Community health services', 'Community-based services', 'Other community services', 'HIV and AIDS', 'Nutrition', 'District hospitals', 'District management' and 'Coroner' services', where all but the last two include at least some nutrition interventions. The types of early nutrition interventions PDoHs reported implementing in 2019/20 were: micronutrient supplementation for pregnant women; breastfeeding promotion and support; growth monitoring and micronutrient supplementation for young children; and nutrition information/training[111].

Overall, given the prevalence of stunting and its severe consequences, PDoH key nutrition interventions, as reported, appear inadequate. Other than Gauteng and KwaZulu-Natal, provinces report only one, and in the case of the North West none, out of the four key nutrition interventions (Table 21). Although reporting by PDoHs in their Annual Reports (ARs) may not reflect all nutrition interventions being implemented, the reporting suggests that service provision is inadequate as do the observed nutritional outcomes for young children (chapter 3).

Despite a low rate of breastfeeding during the first six months, just three PDoHs reported any intervention to promote or support it. In 2016, only 32% of infants under six months were exclusively breastfed, still only PDoHs in Gauteng, KwaZulu-Natal and Northern Cape reported interventions to promote breastfeeding, and these were limited in both scope and coverage. For instance, in Gauteng, 472 health workers were trained in lactation management while in Northern Cape, quality assurance visits were conducted at three hospitals to ensure

110 Key informant interviews.
111 Based on review of PDoH annual reports for 2019/20.

compliance with the ten steps to successful breastfeeding under the Mother Baby Friendly Initiative (Table 21).

No PDoH reports on growth monitoring during the first 1,000 days despite its importance. There is growth monitoring and screening for school-age children under the School Health Programme and through community-based interventions and the primary health services but no PDoH reports monitoring children during the crucial first 1,000 days. CHWs have the potential to identify malnutrition during home visits, but this is also not reported on by any PDoH.

Despite widespread anaemia among young children, no PDoH reports providing iron supplementation to this group. In 2016, a large group of children (37%) ages 6-59 months suffered from moderate or severe anaemia (DoH, 2017). Yet, in 2019/20, no PDoH reported any iron supplementation interventions for this age group[112]. What is reported by, except by North West and Western Cape PDoHs, is provision of vitamin A, and also coverage rates, presumably because this is an MTSF indicator (Table 21).

Overall, there is a need to strengthen messaging around nutrition for caregivers as well as healthcare workers. The 2020 Child Gauge report emphasised the need to improve the consistency of messages around nutrition, and specifically for infant feeding across all healthcare workers and healthcare delivery platforms. It also suggested that to create more supportive environments for optimal feeding, infant feeding communication needs to engage not only mothers, but also families and communities. But only three PDoHs report any intervention to improve nutritional outcomes through information campaigns aimed at health workers or parents, or health worker training: Gauteng, KwaZulu-Natal and Mpumalanga (Table 21). However, at national level there has been some recent effort through the Side-by-Side campaign led by DoH (section 9.2), which emphasises the importance of nurturing care to pregnant women and caregivers of children younger than five years, and aims to shift perspectives of healthcare workers around maternal and child primary care from 'survive', to 'survive and thrive'.

The lack of data in PDoH annual reports on nutrition interventions, including on implementation (beneficiary numbers and unit costs) and key nutritional outcomes, underlines the need to strengthen data collection and reporting mechanisms, which are crucial for tracking progress and to inform responsive programming.

112 South Africa has a national food fortification programme, which was introduced in 2003, under which wheat and maize flour must be fortified with six vitamins and two minerals, including iron, vitamin A and folic acid (DoH, 2017). Despite this, levels of anaemia among women of reproductive age and young children remain stubbornly high and indicate the need for complementary interventions.

Table 21 Overview of early nutrition interventions reported by PDoHs in annual reports 2019/20

	Micronutrient supplementation (folic acid, iron, vitamins) for pregnant women	Breastfeeding promotion and support (other than standard post-natal visit)	Growth monitoring and micronutrient supplementation for young children	Nutrition information/training
	[indirect]	[direct]	[direct]	[indirect]
EC	Not reported	Not reported	Vitamin A (63% coverage)	Not reported
FS	Not reported	Not reported	Vitamin A (53% coverage)	Not reported
GP	Not reported	472 healthcare professionals trained in lactation management	Vitamin A (70% coverage)	Standard protocol to treat children with moderate or severe malnutrition taught to 553 health workers
KN	Ante-natal supplementation of calcium	Breastfeeding promotion	Vitamin A (69% coverage)	Nutritional information and posters in clinics
LP	Not reported	Not reported	Vitamin A (target of 47% not reached due to fewer visits for growth monitoring and children not presenting themselves for scheduled vitamin A supplementation)	Not reported
MP	Not reported	Not reported	Vitamin A (66% coverage)	Working with SASSA on young child feeding policy
NC	Not reported	Quality assurance visits for the Mother Baby Friendly Initiative, to determine compliance on the 10 Steps to Successful Breastfeeding, conducted in 3 hospitals	Vitamin A (48% coverage)	Not reported
NW	Not reported	Not reported	Not reported	Not reported
WC	Not reported	Not reported	Nutrition intervention service to address malnutrition through financial transfer to Cape Town metro	Not reported

Source: PEIR team based on review of PDoH Annual Reports 2020.
Note: 1) Interventions reported under budget programme 2 'District health services' in 2019/20. 2) Coverage for Vitamin A for young children is for ages 12-59 months, this is an MTSF indicator.

Box 14 Ward-Based Primary Health Care Outreach Teams (OTs)

In 2011 South Africa adopted the *Ward-Based Primary Health Care Outreach Team (WBPHCOT) Strategy* with the goal of integrating existing community-based services into OTs organised according to wards. The OTs are meant to consist of generalist Community Health Workers (CHWs), led and supported by nurses, working in close collaboration with environmental health officers and health promoters.

The WBPHCOT Strategy defined an overall model and roles for the outreach teams; provided implementation guidelines; and established a national CHW curriculum and a system of short-course training in three phases (ten days each followed by practice).

However, there are multiple challenges, including:

- Provinces were assigned responsibility for the detailed design, funding, and implementation of the WBPHCOT strategy, which has led to significant variation across provinces.
- The location of OTs under the supervision of primary healthcare facilities, has overburdened facility management and CHWs, and means that outreach team leaders are expected to play a dual role, working both inside and outside the facility.
- Outreach team leaders do not have control over the many CHWs that are deployed to OTs by NGOs.
- It is unclear how much progress has been made in training CHWs on the new curriculum.
- The working conditions of CHW needs to be reviewed given their variable working hours and remuneration being below the minimum wage.

Source: Schneider et al. (2018); DoH (2013).

7.3 Community Health Workers (CHWs)

Nutrition is included in primary healthcare services but there does not seem to exist a standard service package at community level, and there is very little information available on what services families receive and the quality of these services[113]. Efforts to effectively address the insufficient attention to and coverage of nutrition interventions aimed at children ages 0-5 would include community-based interventions, where one key component could be home-visiting programmes by community health workers.

If community health workers were to be used to provide nutrition services during pregnancy and for young children, more would need to be hired. Each CHW is expected to deliver a wide range of services to an average of 250 families per year (DoH, 2018), which is a high workload. The 2011 *Ward-Based Primary Health Care Outreach Team (WBPHCOT) Strategy* (Box 14), suggested that at least 55,000 CHWs were needed, based on population numbers at

113 Key informant interviews.

that point, to deliver services to families. Ten years later, there are around 49,000 CHWs in the system (DoH, 2021), implying a shortfall in the number of CHWs.

Community health workers lack training on key nutrition issues and strategies. CHWs that have integrated into WBPHCOTs were mostly recruited from existing health workers in communities linked to NGO programmes and have varied skill levels, literacy levels and capacities (Schneider et al., 2018). The *Nutrition Roadmap 2013-2017 and the National Food and Nutrition Security Plan 2018-2023* both highlight that important nutrition issues, strategies and interventions are not part of the pre-service training programmes for CHWs or of other health care workers. Topics not covered include: water, sanitation and hygiene (WASH) practices; clarification of roles and functions in relation to health and nutrition screening; and strengthening of recording and referrals in the community. This has implications for the quality of services provided by CHWs.

There is no standardised framework for the compensation of CHWs, with differences in recruitment, appointment, working hours and remuneration across provinces. Some CHWs are paid directly by NGOs, others through companies contracted as 'paymasters' or through special contracts falling outside the routine employment systems (Schneider et al. 2018). KwaZulu-Natal is one of the few provinces that employs its CHWs, referred to as Community Care Givers in that province, through the PDoH (ECWI, 2018) and report on the number of CHWs in its Annual Performance Plan (APP) (Annex D). Remuneration levels and working hours are also highly variable across provinces, and CHWs are expected to work anywhere between 20 and 40 hours a week and earn in the range of R1,800 to R3,500 per month (Schneider et al., 2018).

Examples of successful existing CHW programmes include the national Prevention of Mother to Child Transmissions (PMTCT) and Antiretroviral (ARV) programmes, which involved task shifting from doctor- to nurse-driven models and from nurse-driven to CHW-driven models to reach and support households not able to access healthcare services (Crowley and Mayers, 2015). These programmes were largely implemented by the NPO sector in collaboration with the government. CHW models that focus on nutrition include:

- *Mentor Mothers* in Eastern and Western Cape that provides nutritional education and support to at-risk pregnant women through home visits, and is run by the Philani Maternal, Child Health and Nutrition Trust.
- *Champions for Children – Grow Great* in Limpopo and Mpumalanga, an informal community of practice that supports and incentivises CHWs to establish breastfeeding groups and child growth monitoring in communities, either face-to-face or virtually.
- *The Family Community Motivator* run by the Early Learning Resources Unit (ELRU) that targets vulnerable households with pregnant women and children below age 2, providing training and support through home visits and parenting workshops to improve caregiving behaviours, and also helps connect households to social and health services (Ilifa Labantwana, 2019).

7.4 Flow of funds for the early nutrition interventions

There are three funding sources for the early nutrition interventions: the equitable share, the conditional NSNP grant and the Social Relief of Distress (SRD) (Figure 26). It should be noted that funding that goes to publicly supported ECD programmes, an important avenue for addressing malnutrition and hunger among young children, is examined under the early learning interventions (section 5.3) and is not discussed further here.

Equitable share funding flows from the national revenue fund to the provincial revenue fund and then to PDoHs (including district offices). In the final leg, funds flow from PDoHs to healthcare facilities, district and regional hospitals and community-based centres, and other food distribution points. Provinces, in theory, have high autonomy over the use of these funds, but in practice this is limited due to existing salary commitments.

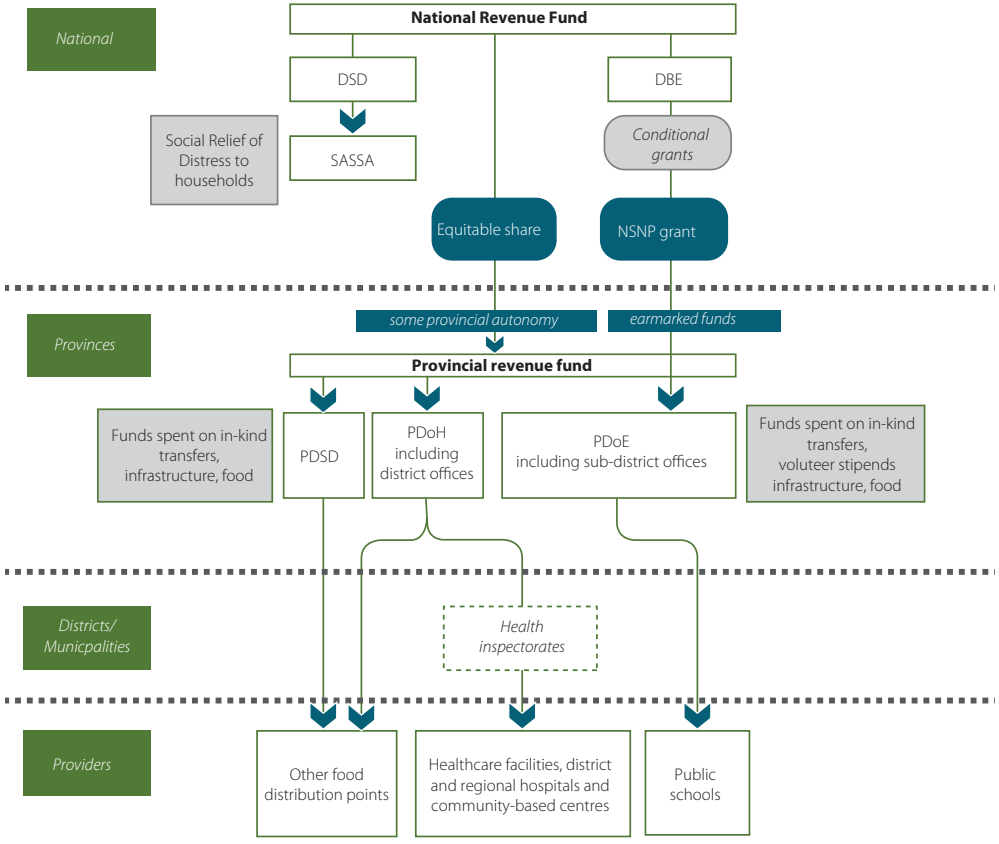
The NSNP is earmarked for the provision of meals in quintiles 1,2, and 3 public schools[114], including grade R. Funds flow from the national revenue fund to DBE to PDoEs (including sub-district offices), and then to public schools, or in some cases, provinces purchase food directly and provide stipends to volunteers and infrastructure for food provision in schools. The NSNP was suspended on 18 March 2020 when schools were instructed to close due to the COVID-19 pandemic. After several court cases and appeals by civil society organisations, a High Court judgement ruled that school-feeding should resume in July 2020, but delivery was complicated by rotational timetabling in schools (Mohohlwane et al. 2021).

Under the SRD, funds flow from the national revenue fund to DSD and support is paid by provincial SASSA offices directly to eligible households. In April 2020, the national government announced the provision of once-off food parcels to households in need based on an income means test under an expansion of the SRD in response to the pandemic. This initiative targeted vulnerable households and was implemented at provincial level with the support of NGOs. However, the Government's food relief programme has been faced with allegations of corruption, irregular payments, and capture by public officials (Auditor General, 2020).

Nutritional support is also funded at the local government level in at least some localities. For instance, the Johannesburg Metro has in the past provided food parcels to indigent households[115].

114 Some provinces top up the NSNP to also fund learners from low-income households who attend quintiles 4 and 5 schools.
115 City of Johannesburg, 2000.

Figure 26 Flow of funds for the early nutrition interventions



Source: PEIR team based on document review and key informant interviews.

7.5 Expenditure on the early nutrition interventions

What is referred to as the early nutrition interventions in this section is not clearly identifiable in the manner of the early learning interventions and the family support interventions examined previously (chapters 5 and 6). Those two buckets of interventions are in part intended to deal with child nutrition. Conceivably, they could on their own address the problems of malnutrition among young children. This could be the case if the CSG adequately covered nutritional and other inputs needed by children, and if further nutritional support were provided through ECD programmes, in the form of greater participation, and possibly the use of ECD programmes as distribution points for food parcels when they close for holidays. However, child grants and ECD programmes are currently not able to fully address nutrition problems, and hence expenditure is directed in various parts of the national and provincial budgets towards supplementary nutrition interventions. The aim of this section is to focus on these additional interventions, while placing them in the context of the two previously discussed buckets of interventions.

In 2017, the South African Presidency released what can be considered South Africa's first major plan aimed at aligning work on food and nutrition security across the various relevant sectors. The plan is titled *National Food and Nutrition Security Plan for South Africa: 2018-2023*. While many important elements of the plan remain unrealised, in particular, an envisaged 'multisectoral Food and Nutrition Security Council' (section 9.1), it serves as an important basis for guiding, planning and budgeting relating to nutrition. An intervention considered among the most effective by the plan is food supplied through ECD programmes which was discussed earlier (chapter 5). Another is 'targeted supplementary feeding' provided through the health sector (RSA, 2017). In other words, in-kind food support for the most vulnerable should be funded by government, in particular where financial support, such as that of the CSG (chapter 6), does not adequately address nutritional needs.

An overview of key national and provincial expenditure lines oriented towards nutrition, even if not all expenditure is strictly for nutrition, and even though not all expenditure is on children, is provided below (Table 22). Total expenditure on the early nutrition interventions in 2021/22 was close to R9 billion including the NSNP and R870 million excluding the NSNP and using the pre-pandemic value for SRD expenditure due to the temporary hike in expenditure for this sub-programme during the pandemic.

School nutrition expenditure by far outweighs expenditure on the other early nutrition interventions. In 2021/22, approximately R8.1 billion was spent under DBE's NSNP[116] compared to total expenditure on the early learning interventions of just over R9.5 billion. Around 5% of this flows to children in grade R who are mostly age 5.

At the national level, DoH has two sub-programmes, 'Child, Youth and School Health' and 'Health Promotion and Nutrition', which together account for R68 million in expenditure in 2021/22. They each include a focus on policy development and monitoring, in part in relation to nutrition matters. Expenditure in the first of these sub-programmes declined by 90% between 2018/19 and 2020/21, but this appears not to be discussed in the relevant budget documentation (National Treasury ENE, 2021).

Expenditure priorities within the provincial 'District Health Services' sub-programmes do not reflect the concerns expressed in the National Food and Nutrition Security Plan 2018-23. The budget documentation of the health sector (but even of other sectors) does not reflect a concern with child nutrition commensurate with the national plan referred to above, with its emphasis on the fact that 'Malnutrition has devastating consequences for health, livelihoods and the economy as a whole' (RSA, 2017: 4). PDoH sub-programme (numbered 2.6 in some provinces and 2.7 in some), 'Nutrition', and falling under the programme 'District Health Services', receives special attention here as it appears to be a particularly suitable vehicle for tackling malnutrition, even if expenditure levels are presently very low. Its purpose is to provide

116 Expenditure on grade R in schools was covered in section (section 4.5), but NSNP expenditure was not included there.

'a nutrition service aimed at specific target groups and combining direct and indirect nutrition interventions to address malnutrition'[117]. However, expenditure on this sub-programme was just R245 million in 2021/22, with around R200 million of this spent in a manner that potentially has a high impact, as it was aimed at the procurement of food or transfers to non-profit institutions. In every province, the nutrition sub-programme displays the lowest level of expenditure, by far, among the around nine sub-programmes comprising the programme 'District health services'. Nationally, the expenditure trend for the 'Nutrition' sub-programme has been a slight upward one in real terms, but this is in large part due to a higher than usual level of expenditure in 2020/21 in response to the pandemic.

Fairly substantial expenditure on the Social Relief of Distress (SRD) is in part directed towards food parcels for the most vulnerable households. The relatively large SRD sub-programme of DSD has played an important role during the pandemic in distributing special grants to the unemployed. As is the case with the CSG sub-programme discussed earlier (section 6), the implementation of the SRD occurs through SASSA. Even before the pandemic, this sub-programme was fairly large compared to the 'Nutrition' sub-programme, with expenditure of roughly R444 million in 2019/20. This sub-programme's purpose is to provide 'temporary income support, food parcels, and other forms of relief to people experiencing undue hardship' (National Treasury ENE, 2021). SASSA reports indicate expenditure going not just to special financial transfers to households but also in-kind assistance in the form of food parcels and school uniforms (SASSA, 2019). Exactly how SRD expenditure is divided across cash, vouchers and the various types of in-kind support is not clear from the SASSA reports, but in certain years, in-kind support appears to account for a substantial share.

During the pandemic, expenditure on the SRD rose massively, dominated by expenditure on a special monthly grant to assist the unemployed not covered by the Unemployment Insurance Fund (UIF). To support vulnerable households, the President introduced a special COVID-19 SRD Grant in April 2020 for unemployed individuals and those who are neither receiving any income nor any other social grant, or support from the UIF. This excluded caregivers who received the CSG on behalf of children. This was in part due to the fact that caregivers who were CSG recipients were already receiving a Caregiver grant of R500 per month between June and October 2020. However, once the Caregiver Grant was terminated at the end of October 2020, these caregivers still did not qualify for the SRD grant. These caregivers were more likely to be poor women who were unemployed or casually employed without any unemployment insurance benefits (Senona et al., 2021). It was only in July 2021 that the President announced an expansion of the eligibility criteria for the SRD to include this group. There have moreover been discussions around how this type of unemployment relief could be extended beyond the pandemic, given South Africa's high unemployment rates. If the SRD was to be geared more strongly towards assisting households with children during exceptional periods of need, it would need to separate this function very clearly from unemployment relief, assuming the

117 Standard text across the EPREs of several provinces, for instance, Gauteng.

latter continued to use SRD as a vehicle for expenditure. While there is a strong overlap between unemployment, in particular unexpected unemployment, and nutritional distress, the two need to be treated as separate drivers of social assistance.

The policy underpinnings of the SRD support to especially vulnerable households are weak. DSD itself has acknowledged the very weak policy and planning basis for the SRD. In its 2019 annual report, it indicates that 'The current SRD regime is fragmented, the legislative framework outdated, the institutional arrangements defunct and delivery to the destitute people is unresponsive' (SASSA, 2019). In strengthening the system, there is an opportunity to introduce a special focus on young children who are at risk from a nutrition perspective, even if they are beneficiaries of a child grant.

DSD has also spent a limited amount of around R60 million annually on 'Food relief'. The ENE of 2021 indicates that this shifted to provinces from 2020/21. Details on this shift seem not to be readily available in public documents. There is also some expenditure on foods and food supplies under various PDSD programmes which came to R113 million in 2021/22.

Table 22 Expenditure on the early nutrition interventions by sub-programme 2017/18 to 2021/22

R million at constant 2021/22 prices	2017/18	2018/19	2019/20	2020/21	2021/22
Education sector: ages 5 to 12					
National Department of Basic Education: programme 5 'Conditional grants'					
National School Nutrition Programme (NSNP)	**7,730**	**7,856**	**7,916**	**8,006**	**8,115**
Health sector: all ages but with a focus on children					
National Department of Health: programme 3 'Communicable and non-communicable diseases'					
3.7 Child, Youth and School Health	**266**	**289**	**199**	**25**	**31**
3.8 Health Promotion and Nutrition	**37**	**20**	**31**	**32**	**37**
Provincial health departments: programme 2 'District health services'					
2.7 'Nutrition'	**243**	**236**	**218**	**269**	**245**
Compensation of employees	26	24	23	24	23
Goods and services	144	134	120	141	142
of which: Inventory: Food and food supplies	128	115	106	112	124
Transfers and subsidies	72	76	73	79	79
of which: Non-profit institutions (NPOs)	65	69	67	72	73
Payments for capital assets	1	2	2	26	0
Social development sector: all ages					
National Department of Social development: programme 2 'Social assistance'					
2.8 'Social Relief of Distress'	**657**	**482**	**444**	**18,775**	**2,536**
Various programmes "Food relief'	**31**	**60**	**63**	**0**	**0**
Provincial social development departments: various programmes					
'Inventory: Food and food supplies'	**377**	**101**	**103**	**472**	**113**
All three sectors					
Grand total	**9,341**	**9,044**	**8,974**	**27,579**	**11,077**

Sources: National Treasury (ENE of 2021 and Excel EPRE file published 2021).

Note: 1) The PDoH sub-programmes 'Nutrition' is numbered 2.6 in Free State, Gauteng, and North West. 2) Provincial food expenditure in the social development sector excludes the sub-programme 'ECD and Partial Care', as this was covered in the early learning bucket.

Expenditure on nutrition interventions aimed at young children outside the early learning and family support interventions is tiny. Just over R400 million of the NSNP grant goes to children aged 5 but also a few aged 4 enrolled in public schools (Table 23). This does not benefit younger children who have not entered school yet, or children of age 5 who are not in a public school. In budgetary terms, the social development sector's SRD is a relatively large intervention which could potentially be used to alleviate food insecurity among young children. The R50 million a year estimate is 11.4% of total SRD expenditure, this being the proportion of the population ages 0-5. The next largest intervention, in budgetary terms, is the 'Nutrition'

sub-programme but only an estimated R28 million flows to children ages 0-5. Various strands of social development expenditure on food in provinces complete the picture provided here, at around R13 million, and expenditure on the health sectors sub-programmes 'Child, youth and school health' and 'Health promotion and nutrition' at around R8 million. This is a rough picture, as details on expenditure both within these budget lines, and elsewhere, devoted to the nutrition of young children are scarce. What appears certain, however, is that expenditure on nutrition for young children outside the early learning and family support interventions and outside the NSNP, is tiny and fragmented. The total of R99 million excluding the NSNP, is only 0.4% of expenditure on children ages 0-5 for the family support interventions (Table 19) and 1% of expenditure on the early learning interventions (Table 14).

Table 23 Estimates of nutrition expenditure for ages 0-5 2021/22

R million at constant 2021/22 prices	2021/22	
	Expenditure all ages	Expenditure possibly flowing to ages 0 to 5
Education sector		
National Department of Basic Education: programme 5 'Conditional grants'		
National school nutrition programme (NSNP)	8,115	406
Social development sector		
National Department of Social development: programme 2 'Social assistance'		
2.8 Social Relief of Distress (SRD) 2019/20 pre-pandemic	444	50
Provincial social development departments: various programmes		
Provincial social development food	113	13
Health sector		
National Department of Health: programme 3 'Communicable and non-communicable diseases'		
3.7 Child, youth and school health and 3.8 Health promotion and nutrition	68	8
Provincial health departments: programme 2 'District health services'		
2.7 Nutrition	245	28
Allt three sectors		
Grand total	**8,985**	**505**
Grand total excluding NSNP	**870**	**99**

Source: National Treasury (ENE of 2021 and Excel EPRE file published 2021).

Note: 1) 11.4% used to calculate the expenditure for children ages 0 to 5 for non-NSNP expenditure. 2) Provincial food expenditure in the social development sector excludes the sub-programme 'ECD and Partial Care', as this was covered in the early learning bucket.

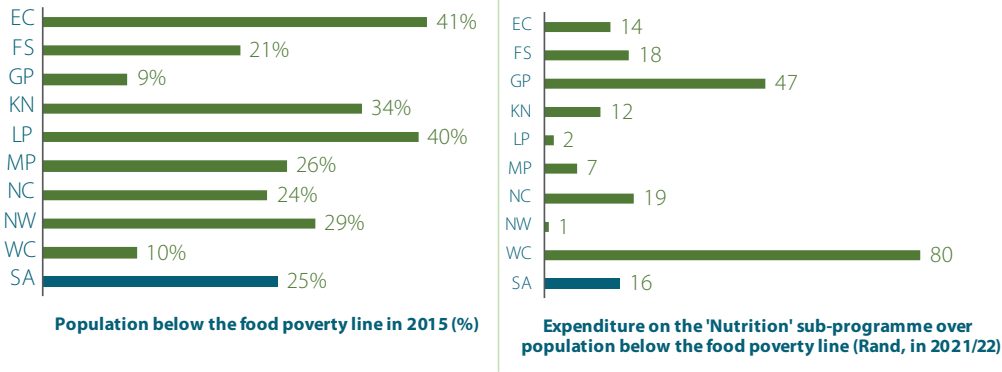
Weak policy underpinnings increase the likelihood that supplementary nutritional support will be subject to budget cuts. Unlike expenditure on the early learning and family support interventions, expenditure on the three nutrition lines: SRD, the 'Nutrition' sub-programme and provincial social development food falling outside the NSNP declined sharply before the pandemic, the annual decrease being around 25% (Table 22). This reflects the fact that budget lines without a clear policy mandate, and without strong government prioritisation, have been subjected to cuts during recent budget tightening. One solution to this problem would be to firm up the policy underpinnings of expenditure on nutrition aimed at young children outside the early learning and family support interventions.

Provincial differences in expenditures

Social development expenditure on food parcels in provinces is uncommon outside Gauteng. Provincial departments of social development procure food, much of it apparently to provide relief to vulnerable households. In 2021/22, expenditure on this stood at R113 million (for all ages), down from a spike of R472 million in 2021/22 during the pandemic. It appeared in various places in the budget, and roughly 66% of this total was accounted for by one province, Gauteng.

Provincial approaches to expenditure within the health sector 'Nutrition' sub-programme differ substantially. Although expenditure is arguably tiny in every province, provincial expenditure relative to the food insecure population varies enormously (Figure 28). For instance, expenditure per person under the food poverty line is 40 times higher in Western Cape than in Limpopo. It is the two provinces with the lowest burden of food insecurity, Gauteng and Western Cape, which spend the most in absolute terms and relative to the food insecure population. Limpopo and the North West stand out as provinces with food insecurity which is above the national level and low levels of expenditure.

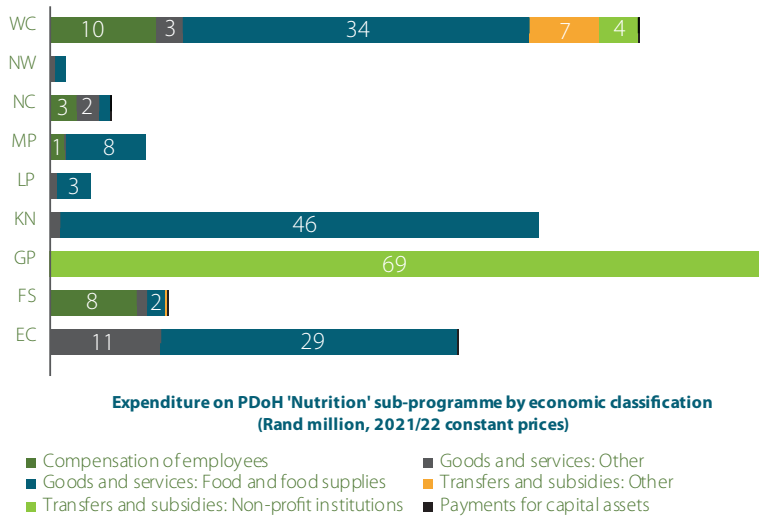
Figure 27 Expenditure on PDoH 'Nutrition' sub-programme relative to population living below the food poverty line



Source: National Treasury (Excel EPRE file published 2021 by National Treasury); Stats SA MYPE; Stats SA (2017).

A strong focus on transfers to NPOs as well as on in-kind transfers of food are both approaches that have been pursued by provinces in the past. The composition of expenditure also differs substantially across provinces. Gauteng has devoted all expenditure to transfers to NPOs while in several other provinces the bulk of expenditure has gone to the procurement of food. Free State's expenditure is mostly accounted for by compensation of employees. There are no details in Gauteng's EPREs on exactly how expenditure on NPOs is geared towards addressing malnutrition. However, there is an explicit emphasis on addressing child malnutrition, and specifically mortality due to Severe Acute Malnutrition (SAM) among children under age 5. Details on how procured food is distributed are also not available in the EPREs. The differing experiences of provinces serve as a useful basis for examining best practices to adopt if expenditure under the Nutrition sub-programme is to be increased substantially.

Figure 28 Provincial breakdown of expenditure on the PDoH nutrition sub-programme



Source: National Treasury (Excel EPRE file published 2021).

8 Prioritisation and complementarity of expenditure

Expenditure on each of the three buckets of interventions has been discussed above. The purpose of this chapter is to summarise which types of interventions and which child ages are prioritised across the three buckets of interventions as well as any complementary of services.

The family support interventions represent government's largest expenditure in relation to children ages 0-5. In 2021/22, government spent just over R26 billion on the family support interventions (section 6.3), around R9.5 billion on the early learning interventions (section 5.4) but only R0.5 billion on the early nutrition interventions (section 7.5). This last number becomes an even lower R99 million if the NSNP, which essentially benefits no children below age four, is excluded. The family support interventions clearly constitute government's principal budgetary commitment to the development of children ages 0-5, largely due to the child support grant.

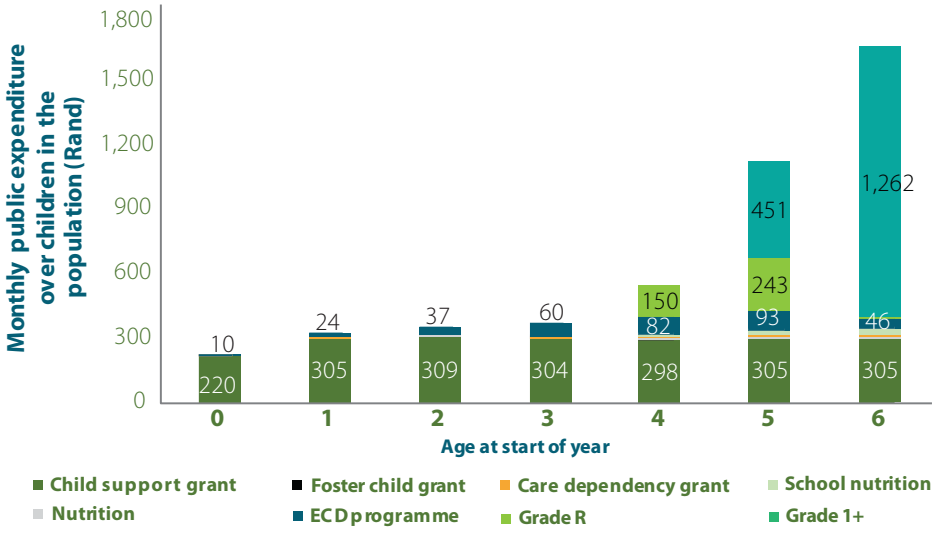
The emphasis on the child grants has helped spread expenditure across ages within the 0-5 age group. Government's emphasis on child grants, which in principle do not discriminate by age, helps to ensure public expenditure also reaches the very youngest children. Child grant expenditure is fairly equitably spread across ages (Figure 29), though there is an access problem at age 0, as discussed previously (section 6.3). However, the early learning interventions, though less than half the size of the family support interventions in budgetary terms, is geared towards older children within the 0-5 age group with approximately 59% flowing to schools-based grade R and 40% to younger children in ECD programmes despite the latter covering roughly twice as many children.

When education is accounted for, overall expenditure clearly favours older children. The analysis below includes age six and expenditure on schooling above grade R ('grade 1+') to allow comparison against public expenditure on schooling[118]. The differences are very large: public expenditure on each child aged 6 and above is four times as high as expenditure on each child ages 1-3 (Figure 29). These age-specific expenditure inequities are not frequently examined, and it is hence not possible to gauge whether the situation is worse in South Africa than elsewhere. Traditionally, expenditure on formal schooling is prioritised across most countries, and this emphasis may be strengthened by the bargaining power of teacher unions. Monitoring how the expenditure gap between younger and older children evolves seems important if ECD is to be taken seriously. Above all, this expenditure gap should not widen.

118 As the figures show, some early learning bucket expenditure goes to children aged six at the start of the year (see 'ECD centre' plus 'Grade R'). This expenditure has been included in the analysis of the early learning bucket (section 5.4).

Currently, expenditure on the three buckets of interventions does not line up with international evidence on which types of interventions and at what ages yield the highest rates of return. The international evidence is clear that investing early on and in certain types of interventions, including early nutrition and health and early stimulation yields the largest returns in terms of subsequent academic, employment, health and social outcomes (section 2.1). Despite this, expenditure is currently more geared towards older children, and expenditure on supplementary nutrition interventions is minimal, warranting an increased focus on the first 1,000 days and on nutrition, looking ahead.

Figure 29 Monthly expenditure on the examined interventions by age 2021/22



Source: Total expenditure from Table 14, Table 19 and Table 23. Table 18 was used to distribute child grant expenditure across ages.

Weighted estimates based on GHS 2019 data on participation inform the distribution of ECD programme, schools-based grade R, grade 1+ and school nutrition expenditure across ages. 'Nutrition' sub-programme expenditure (too small to be visible in the figure) was assumed to be the same for all children. Per learner expenditure on 'grade 1+' is based on EPRE data and DBE (2018b). 2021 mid-year population estimates with Spraque tool published with MYPE in 2017 used to break five-year age bins down to single years were used for the final denominator.

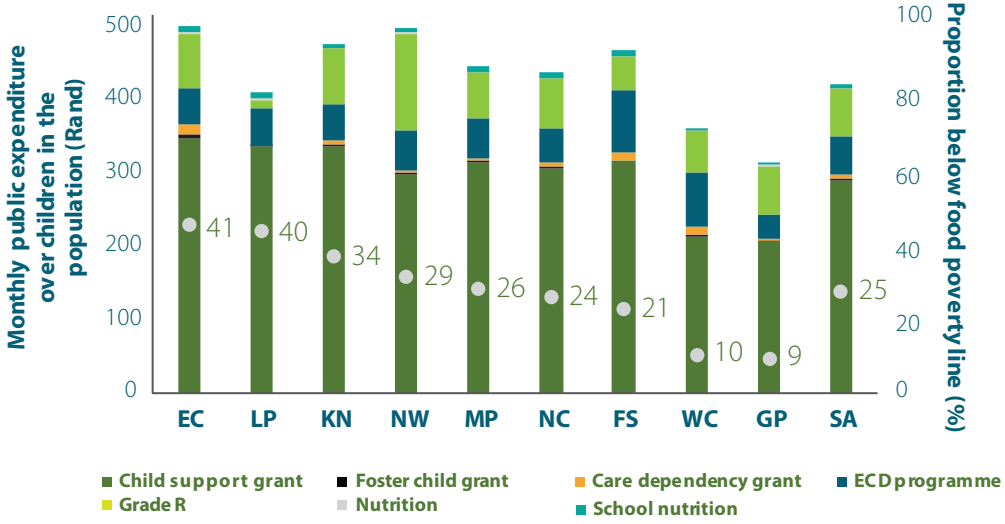
Note: 1) 'grade R' refers just to school-based grade R. 2) Age six was added to this graph to facilitate a comparison to older children. 2) Expenditure on the four PDSDs sub-programmes included among the family support interventions is not included in the figure due to data limitations.

Total expenditure on the three buckets of interventions as well as expenditure on the child grants is progressively distributed across provinces, while expenditure on ECD programmes is slightly regressive. Overall, public expenditure on the interventions included relative to the child population, is progressive across provinces[119]. The correlation

119 Estimates based on the assumption that Stats SA mid-year population estimates (MYPE) are entirely accurate were also produced. Figure 28 takes into account problems with MYPE discussed previously, through use of Stats SA's GHS data when

between total monthly expenditure per child in the population and the proportion of the population considered poor is high at 0.78 (Figure 30). However, this pattern is largely driven by the progressivity of child grant expenditure. Expenditure on ECD programmes within the early learning interventions is slightly regressive, the correlation being -0.17. This is driven largely by the fact that two relatively non-poor provinces, Free State and the Western Cape, display high levels of ECD programme expenditure relative to their populations[120].

Figure 30 Monthly expenditure on the examined interventions for ages 0-5 by province 2021/22



Source: Overall expenditure and population denominators as for Figure 29. Pooled 2017 to 2019 GHS data were used to distribute child grant expenditure across provinces. Specifically, the percentage of the child population receiving the grant according to the GHS was multiplied by the MYPE child totals for each province. A similar adjustment was not applied to the other two buckets of interventions, given that any distortions produced by the MYPEs would be smaller in absolute terms, but also because the GHS data do not differentiate subsidised from non-subsidised ECD programmes. The percentage of the population below the food poverty line is from Figure 27.
Note: 1) Expenditure on the four PDSDs sub-programmes included among the family support interventions is not included in the figure due to data limitations.

Access to child grants and early learning programmes is associated with less food insecurity in the household. Understanding how the existing interventions examined by this review complement each other is important. An estimated 33% of the poorest 45% of children

calculating the statistics for child grant expenditure. The latter approach produces far smaller per child expenditure differences across the three poorest provinces of Eastern Cape, Limpopo and KwaZulu-Natal in relation to the child grants. This can be considered the more reliable picture.

120 The apparently low level of expenditure in Limpopo on schools-based grade R is due to an accounting anomaly. Much of the expenditure by the province on grade R sits within budget programme 2, dealing with grades 1 to 12 schooling. Grade R enrolment in public schools as a fraction of Grade 1 enrolment in these schools in Limpopo is slightly higher than the national average.

experienced skipping of meals due to a lack of money during the last year if they did not receive a child grant and were not attending any early learning programme (Table 24). This proportion drops to 29% if a child grant was received, and further still, to around 26% if a child received a child grant and attended an early learning programme. The relationships between services received and hunger are complex, and these associations cannot precisely indicate what would occur if services were to be expanded but provide some insights.

Table 24 Hunger and combinations of services received by poorest 45% of young children 2017-2019 average

	Skipping meals in the last 12 months due to financial or food shortage	
	No child grant	With child grant
Not attending	33%	29%
Attends grade R or lower	24%	26%
Attends grade 1 or higher	-	23%

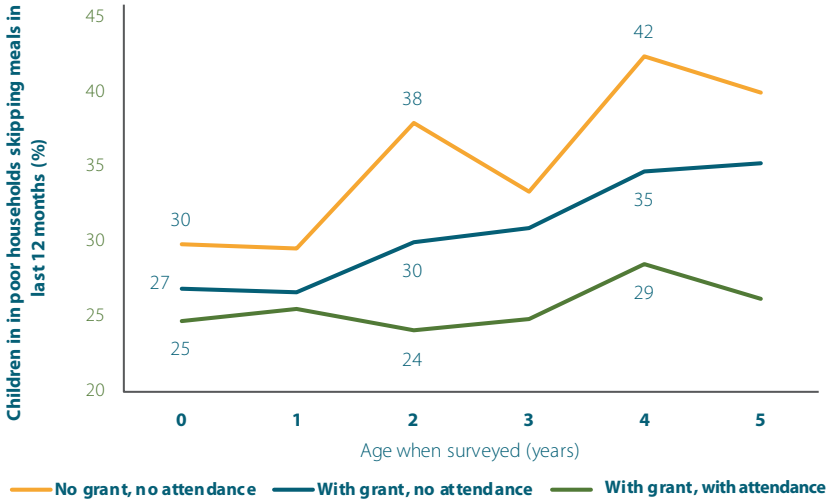
Source: Weighted estimates from pooled GHS 2017 to 2019 data, with only children in the lowest seven household expenditure categories included. These lowest categories represent 45% of all children ages 0 to 5. Weights in the data were adjusted to make each year carry an equal weight.

Note: 1) The skipping meals question is directed at the household, not individuals. 2) There are too few cases of children attending while not receiving a grant to calculate meaningful statistics for this situation.

The patterns by age are striking. While the early learning interventions may not provide food in the home, a daily meal at an ECD programme reduces the chances that poor households will report that meals have been skipped at home[121]. For example, at age 4, a child in a poor household who attends an early learning programme and receives the CSG is less likely to have skipped a meal (29%) than her peer not attending and only receiving the grant (35%). Skipping of meals appears to be more common for older children but this does not mean that the need for further nutritional interventions is greater for them than for younger children since it is malnutrition in first 1,000 days that largely drives South Africa's problem of stunting among children.

121 In 2021, close to all (97%) of ECD centres reported providing at least one meal per day, or bottle feeding. Calculation based on 2021 ECD Census for ECD centres with more than five children.

Figure 31 Hunger and combinations of services received by age 2017-2019 average



Source: Weighted estimates from pooled GHS 2017 to 2019 data, with only children in the lowest seven household expenditure categories included. These lowest categories represent 45% of all children ages 0-5. Weights in the data were adjusted to make each year carry an equal weight.

Note: 1) For this figure, attendance in grade R or lower and attendance in grade 1 and above were combined. 2) A 'No grant, with attendance' series was not included due to insufficient observations.

To improve the child nutrition and hunger situation will require adjusting the goals of the early learning and family support interventions and new supplementary nutrition interventions. In 2019, 17% of children ages 0-5, or around 1.2 million, were in households where meals were skipped during the year[122]. Of these 1.2 million children, around 80% were child grant beneficiaries and around 45% were attending either an ECD programme or a school. Clearly, receipt of these two services is not a guarantee of food security, even if the services do appear to reduce the risk of it. Rough calculations drawing in part from the patterns shown above (Figure 31), suggest that taking the coverage of the child grant at age 0 to the level seen for ages 1 to 3 and universalising grade RR, would reduce the number of children skipping meals by very little, perhaps by 20,000 only[123]. There is thus a need to focus on raising the amount of the CSG as well as on raising ECD programme participation for younger children, in addition to increased investment in supplementary nutrition interventions.

122 Weighted estimates based on GHS 2019 data.

123 Specifically, this is based on the percentage of poor children skipping meals dropping from 30% to 27%, for 170,000 new age 0 children receiving the grant, and this percentage dropping from 35% to 29%, for around 350,000 new age 4 children attending ECD centres.

9. Strengthening institutional arrangements for ECD

This chapter reviews institutional arrangements to deliver ECD services. It is not a review of the entire system of ECD service delivery in the country, rather, it focuses on the three buckets of interventions and institutional issues that have been highlighted most consistently across key informant interviews and within the existing national literature on ECD service delivery. Some international examples of successful approaches are presented to identify lessons learned, which could potentially be applied to South Africa.

9.1 Roles and responsibilities in the ECD system

Institutional arrangements for ECD in South Africa involve a number of different sectors and all spheres of government. The departments of education, health and social development at national and provincial levels hold the majority of responsibilities for ECD services, but more than 15 departments are officially listed as having some responsibilities related to delivering ECD services. While all spheres of government (national, provincial and local) are responsible for participating in policy development and planning, implementation largely falls to provincial and local governments. Across the three buckets of interventions, local and metropolitan municipalities are responsible for participating in the planning of ECD services, and district municipalities are responsible for effective coordination of early childhood services within their mandate (NIECD, 2015). The roles and responsibilities of the three core sectors across spheres of government for each of the intervention buckets are shown below (Table 25, Table 26 and Table 27), as stipulated in the NIECD Policy (2015) and based on what happens in practice. The mechanisms for broader coordination across the three sets of intervention, which is essential to ensure holistic child development, are discussed later (section 9.2).

At national and provincial levels, the roles and responsibilities are clear, but in practice, not all functions are fully implemented as envisioned. For example, at provincial level, there is a limited focus on monitoring the quality of services (beyond compliance for registration) and limited availability of training programmes, particularly short courses.

At the local level, current legislation creates ambiguity regarding ECD mandates, which has negative implications for funding and ultimately, service delivery. According to existing legislation, ECD mandates, especially those related to infrastructure for early learning services, are a local responsibility. When municipalities are not aware of these mandates, they do not secure the funds necessary for quality ECD programming and there is no prioritisation of related capacity development. Moreover, if there is not consensus regarding ECD responsibilities, stakeholders cannot effectively be held accountable for delivery.

From a departmental perspective, roles and responsibilities are clear for the early learning and family support interventions. For the early learning interventions, DSD was until April of 2022 (see below), the lead actor, responsible for 'ensuring the universal availability and adequate quality of, and equitable access to, inclusive learning opportunities for children aged birth to until the year before they enter formal school through the development, delivery, regulation, registration, quality monitoring, improvement and evaluation of ECD programmes' (NIECD, 2015: 76). Across national and provincial levels, these roles and responsibilities have now been transferred to DBE and PDoEs, and are classified as '(new)' in Table 25, Table 26 and Table 27. This transfer of responsibilities should help promote coherence across early learning services and reduce any overlap between the roles of DSD and DBE for the early learning interventions. DSD and PDSDs are responsible for all the family support interventions, with the administration and payments of the child grants being the responsibility of SASSA, which is an agency of the national DSD.

For the early nutrition interventions, departments of education, health and social development all have a role to play, but overall leadership is lacking, and services are fragmented. DBE and PDoEs are responsible for financing and implementation of the National School Nutrition Programme (NSNP), including for grade R in public schools, and since April 2022, also for the administration of the ECD subsidy that is partly earmarked for the provision of nutritious meals in ECD centres, while PDSDs have other food distribution points and interventions that reach children in the early years. DoH and PDoHs have a key role to play in policy development, planning, regulation and monitoring of services of direct and indirect nutrition services (section 7.2), with primary healthcare facilities responsible for the delivery of centre and non-centre based nutrition services and managing and supervising facility-based staff and CHWs.

Transition of the ECD function from DSD to DBE

The ECD mandate shifted from DSD to DBE on 1 April 2022. This involved the transfer of functions related to ECD programmes while child protection services and child grants remain under the ambit of the social development sector. The Government Technical Advisory Centre (GTAC) undertook a diagnosis of the ECD function in 2020 to support DSD and DBE to systematically relocate the function in its present form without causing disruptions to service delivery (GTAC, 2020). The GTAC diagnostic report sought to provide clarity on what the ECD function entails, legal requirements and processes that need to be followed, and aspects of the function that need to be transferred both nationally and provincially.

Stakeholder interviews indicated that the departments were ready for the technical function shift, though there were a few challenges that needed to be worked through at national and provincial levels of government, such as strengthening the ECD workforce through a Human Resources (HR) development strategy and ensuring that data systems are used effectively and integrated into an ECD Management Information System. The focus has been on ensuring

minimal disruption in service delivery and a smooth transition of the registration of ECD programmes, delivery of subsidies, funding from education budgets and other service level agreements (SLAs). But no budget was allocated to support the transition processes leading up to the transfer, and given the lack of national guidance, different provinces approached the transition in different ways.

A DBE capacity needs assessment is required to understand gaps that need to be addressed to deliver ECD services given the function shift. While some staff were transferred from DSD to DBE, concerns have been raised at national and provincial levels about whether these staff have the requisite skills and qualifications and are ready to navigate the differences in cultures across departments and the roles that they will need to fulfil. The GTAC diagnostic report outlines the ECD functions, staff categories, service levels and associated headcounts. According to the DSD organisational structure approved in 2019, the Chief Director no longer solely focused on ECD and partial care, and the Directorate itself did not have a Director post, but rather two posts for Social Work Policy Managers (GTAC, 2020). DBE received seven officials from DSD, two of which are permanent social workers and will support the work of the programme, and five of which are temporary staff hired on a contract basis that will be focusing on the ECD conditional grant (two out of five will be specifically focused on the infrastructure component of the ECD conditional grant). Currently. the number of staff dedicated to ECD in DBE is limited, with a Director position that has been vacant for over two years.

Across three provinces, the following roles were transferred from PDSDs to PDoEs:

- Western Cape: 48 staff moved to PDoE from PDSD, but they have agreed to retain the structure of functions for these individuals over the next two years and bring processes together after that.
- KwaZulu-Natal: PDoE received about 70 staff from PDSD, 63 of whom are social workers and seven are temporary employees who will be focused on the conditional ECD grant. No core staff from the PDSDs ECD unit are transferring over to the PDoE although currently PDoE is under-capacitated with only three core staff in place to support ECD activities. A new organisational structure has been finalised for the Department of Public Services and Administration (DPSA) to approve. But this is still work in progress and filling vacant posts for ECD will take time.
- Limpopo: PDoE received about 78 staff, including 62 social workers, ten finance clerks and six staff to work on the conditional ECD grant. Currently, there are two vacant posts for a Social Work Manager and Assistant Director.

There is no institutional separation between the provision of ECD and non-ECD partial care services at PDSD level (GTAC 2020). Further, social workers that perform ECD and partial care services have additional social welfare responsibilities. There are also issues related to staff not having the relevant skills in provinces, for example, in KwaZulu-Natal, PDoE is taking over the

registration system that was used by PDSD, whether paper-based or electronic. Training was received from DSD on the paper-based system and from the NGO Impande on the electronic registration system, but PDoE has highlighted the need for additional capacity building. In Western Cape, PdoE and PDSD worked together towards the transition, focusing on getting registration; funding through the education budget; and data related to registered and unregistered programmes right. Concerns have been raised about whether key systems are in place in PDoEs to administer payments to ECD programmes without interruptions after the function transfer.

The transition between DSD and DBE presents a unique opportunity for ECD in South Africa, but also some risks. DBE has been accustomed to working in formal settings with schools and civil servants, whereas ECD programmes, previously managed by DSD, is community focused and less formal. While the transfer presents an opportunity for improvements in the quality of early learning, there are concerns about the potential risk of 'schoolification' of ECD programmes given the priorities put forward in the NDP. DSD and PDSDs were unable to develop a regularly updated ECD management information system, but a strength of DBE is its experience running several such information management systems for the education system, such as the Education Management Information System (EMIS), the School Administration and Management System (SA-SAMS) and others. To get systems up and running on ECD service provision, DBE concluded an ECD Census in 2021 which was followed by the Thrive by Five Index Survey which measures key early childhood development outcomes for children attending ECD programmes(section 3.1).

Table 25 Roles and responsibilities for the early learning interventions

National	**Department of Basic Education** • Development of early learning curriculum (birth to four years), and continuity and synergy between the early learning and grade R curricula • Integration of key communication linked with the department's responsibilities regarding healthy pregnancy and parenting into the school curriculum • Policy development, national planning, regulation and development of norms and standards for service provision (new) • Evaluation of efficiency and effectiveness of programmes • Setting the ECD subsidy amount (new) • Transfer funds for education conditional grants (education infrastructure grant) and in-kind transfers directly to ordinary public schools (Grade R) • Transfer funds for ECD conditional grant (new) • Developing overall registration requirements and quality standards (new) **Department of Social Development** • Determining and administering childcare and child protection services
Provincial	**Provincial Departments of Education** • Implementation and monitoring relating to curriculum implementation from birth to four years and grade R in public ordinary schools and ECD programmes • Responsible for providing training on early learning and development through short and accredited courses • Provide departmental services for the development of practitioners/teachers and non-educators in grade R at public schools and ECD programmes • Provide resouces required for grade R in public ordinary schools and ECD programmes • Administration of conditional grants (Education Infrastructure Grant and Expanded Public Works Social Sector Programme) • Provincial population-based planning and management for pre-grade R (new) • Contracting with private providers (for-profit and non-profit) in the delivery of ECD programmes (new) • Where ECD programme personnel are directly appointed by the department, the management and supervision of these personnel (new) • Ensure ECD programmes are equipped with necessary play and learning materials and have capacity to ensure quality of materials is maintained and regularly updated (new) • Provision of subsidy to ECD programmes, conditional grant payment (ECD conditional grant), registration of providers, subsidy allocations decisions and monitoring (new)
Local	**Local and metropolitan municipalities** ***(before ECD function shift, may evolve)*** • Audit and identification of available infrastructure that may be used for expansion of early learning services • New early childhood development service provision infrastructure • Supporting childcare facilities to meet minimum infrastructure, health and safety standards • Registration of child-minding services • If required by provincial DSD and capacity exists, provision of ECD programmes (registration, payment verification and management, regulation and delivery)

Source: PEIR team.

Table 26 Roles and responsibilities for the family support interventions

National	**Department of Social Development**
	• Setting grant amounts and making payments to recipients
	• Policy development
	• National planning
	• Regulation and development of norms and standards for service provision
	• Evaluation of efficiency and effectiveness of programmes
	• SASSA is responsible for payment and administration of all child grants
Provincial	**Provincial Departments of Social Development**
	• Provincial population-based planning and management
	• Registration, monitoring and quality improvements of programmes
	• Short course training; contracting with private providers (for-profit and non-profit) in the delivery of services
	• Where service personnel are directly appointed by the department, the management and supervision of these personnel
	Source: PEIR team.

Table 27 Roles and responsibilities for the early nutrition interventions

National	**Department of Basic Education**
	• Transfer funds for the provision of meals to children in grade R through the National School Nutrition Programme (NSNP)
	• Transfer funds for the ECD conditional grant - subsidy component used for nutrition
	Department of Health
	• Policy development, national planning, regulation and development of norms and standards for service provision
	• Development of training curricula in partnership with the Department of Basic Education for the delivery of ECD programmes
	• Evaluation of efficiency and effectiveness of these programmes
Provincial	**Provincial Departments of Education**
	• Implementation of National School Nutrition Programme (in grade R)
	• Provision of ECD subsidies - subsidy component used for nutrition (new)
	Provincial Departments of Social Development
	• Other food distribution points
	Provincial Departments of Health
	• Provincial planning and management of services (centre and non-centre based)
	• Management and supervision of personnel employed directly by the department
	• Contracting with private providers (for-profit and not-for-profit) for outsourced activities; provision of training to departmental staff
Local	**Local health facilities**
	• Management and supervision of assigned personnel (including community health workers)
	• Delivery and monitoring of services (centre and non-centre based)
	Source: PEIR team.

9.2 Leadership and coordination of ECD services

South Africa's inter-sectoral and inter-governmental approach to ECD requires effective coordination. The structures to lead and coordinate the ECD sector are clearly articulated in the NIECD Policy (2015). At national level these include:

- **Inter-Ministerial Committee (IMC)** supported by an **Inter-Departmental Committee (IDC)** to coordinate between national departments, with the IMC meeting at least four times a year and the IDC to meet every two months.
- **Inter-Governmental Forum (IGF)** to facilitate coordination across different spheres of government, meeting only once a year.
- **Inter-Sectoral Forum (ISF)**[124] for collaboration with civil society that should meet at least twice a year and operate based on a mutually accepted terms of reference.

Although these multi-sectoral structures across spheres of government offer promising platforms to support collaboration around early childhood development, they are considered largely ineffective and have not successfully turned the NIECD policy into a workable implementation plan. The Inter-Ministerial Committee was meeting infrequently and now seems to have ceased to exist. The Inter-Departmental Committee has been meeting, led by DSD until March 2022, but has focused mostly on centre-based ECD for children above the age of two, and key stakeholders are often not present or represented at a senior level, and there is no accountability for a lack of participation. Various frustrations have been raised around: the lack of a clear plan to guide the committees, strategic direction and clear roles and objectives, as well as an inability to use the forums for meaningful collaboration, for example, to strengthen registration processes for ECD programmes. Further, there is a lack of consensus about the definition of ECD across key departments (including the age ranges to focus on and the specific interventions to be included), which tends to derail conversations during meetings. Collaboration between departments also requires memorandums of understanding to define a work programme, however, this takes a lot of time, making strong leadership and coordination imperative. This lack of effective coordination may at least partly stem from a common challenge facing cross-sectoral coordination efforts in countries where one line department does not have authority over another, which can lead to a lack of accountability and action.

If these coordination structures are not effective at a national level, it is difficult for good practices to filter down to lower levels. Provincial governments, district municipalities and local and metropolitan municipalities are required to establish similar structures to support planning, coordination and monitoring of ECD services at each level. But these structures have not been formally replicated across all provinces, although in KwaZulu-Natal and the Western

124 Members include, but are not limited to, NGOs rendering ECD services (more than 60% of total services and having infrastructure in at least four or more provinces); international partners; ECD training institutions; research institutions; relevant government departments and agencies; private foundations and donors; national publication and network groups.

Cape some form of structure does exist. Interviews with the KwaZulu-Natal government indicated that Inter-Governmental Committee meetings take place between the national and provincial level to discuss a number of issues across different departments and levels of government. However, there appears to be weak coordination and collaboration between national level and local municipalities.

There are somewhat more encouraging reports regarding the Inter-Sectoral Forum (ISF) for government, civil society, NGOs, donors and other ECD actors. This forum is co-chaired by the government and civil society and meets on a regular basis. The IDC at national level devolves its responsibilities to various sub-committees that are established through the ISF to examine specific issues such as policy and legislation, infrastructure, communication, financing, curriculum and training and registration. Issues that have been escalated through the ISF include securing funding for the ECD-SRF to support ECD programmes and advocating for vaccines for the ECD workforce during the COVID-19 pandemic. Although funding was made available for the Stimulus Package, there are several reports of allocated funds not being spent due to coordination challenges between national and provincial levels of government. There are also reports of key initiatives in the sector not being brought forward and discussed in specific sub-committees as envisioned, for example, the Vangasali Campaign (section 5.1) was not discussed at the registration sub-committee and work being done on financing and expansion by Ilifa Labantwana[125] was not discussed at the funding sub-committee. The Inter-Sectoral Forum includes strong representation from NGOs who deliver direct or associated services for centre-based ECD (such as practitioner training) and advocate for a focus on the registration, infrastructure and subsidy issues that impact centre-based provision for children ages 3-5, with less attention to services and essential system components to support children ages 0-2 (including health and nutrition issues)[126].

Communication is reported to be very open in the ISF. Provinces are also part of the national ISF and therefore have full access to information being discussed at the national level which can then be cascaded to local levels. However, there are also concerns that the forum is too large, preventing meaningful dialogue and that it is overly focused on early learning with insufficient focus on holistic early childhood development. But stakeholders that do not have regular interactions with the government view this as the only forum for engagement. The purpose, function, roles and responsibilities of this forum are not clearly defined. The high-level committees need to be fully functional and effective for it to filter down to the ISF. The reporting mechanism between these higher levels, that is, the Inter-IDC and ISF needs to be strengthened. Currently, what is taking place at the IDC is not being clearly documented and fed into the ISF.

125 Ilifa Labantwana is a national ECD Programme. It is a collaborative initiative of four donor agencies: the ELMA Foundation, the DG Murray Trust, First Rand and First National Bank. The Ilifa programme supports ECD innovation in South Africa. It seeks specifically to enhance and increase the delivery of integrated, quality ECD services and programmes to marginalised and poverty-affected children living in rural or isolated communities.

126 Key informant interviews.

For nutrition specifically, a multi-sectoral Food and Nutrition Security Council (FNSC), was meant to be established, but the Presidency proposed that this instead be combined with the IMC on Poverty. The FNSC was supposed to have the following role: oversee alignment of policies, legislation and programmes; coordinate and implement programmes and services to improve food and nutrition security; and draft new policies and legislation where appropriate. This was intended as part of a solution to address the fragmentation of nutrition interventions across multiple departments and the lack of a coherent strategy, coordination mechanism and accountability system to address child hunger at an overall level and to realise the right to food as set out in the Constitution. However, the FNSC was not established, and the Presidency proposed that this instead be combined with the IMC on Poverty.

To address that national government priorities are often not reflected at local government level where service delivery takes place, a District Development Model (DDM) is being piloted. In the 2019 State of the Nation Address, the President announced the introduction of a DDM to break the silo mentality in government. The DDM identifies districts and metropolitan municipalities as the space that allows for the intersection between the three spheres of government around planning, budgeting and implementation in a long-term planning cycle. It consists of a process in which joint and collaborative planning is meant to be undertaken in local, district and metropolitan municipalities by all three spheres of government, resulting in a strategically focused One Plan for each of the 44 districts and eight metropolitan municipalities in the country. The DDM is currently being piloted in three districts: Waterberg in Limpopo, OR Tambo in the Eastern Cape and Ethekwini metropolitan municipality in KwaZulu-Natal, with the Hollard Foundation supporting the integration of child development as a priority in the One Plans in pilot sites. While the DDM does present a promising opportunity to improve coordination, it may prove challenging to successfully implement in municipalities with low capacity (where some of the most disadvantaged children are located).

Through the introduction of the National Development Plan (NDP) and Medium-Term Strategic Framework (MTSF) and establishment of the National Planning Commission (NPC), cross-sectoral coordination has gradually improved. ECD system coordination was far more fragmented before but examining the ECD coordination structures that have been developed, there remains a lack of strategic direction, capacity and technical expertise in the coordinating line department to manage these structures effectively. The NDP review argues that the slow implementation of the NDP Vision and NIECD policy can largely be attributed to poor leadership from the coordinating department and ineffective coordination within and across the key departments, that is, the departments of social development, basic education and health (NPC, 2020). There were plans in place to draft an implementation plan for the NIECD Policy, but this has not transpired. The recent FFC technical report claimed early childhood service delivery is often haphazard with different departments operating in silos and that inter-government relation forums have limited scope to ensure alignment due to conventional

line function cultures of planning, budgeting, implementation, and the reward systems for individual performance (FFC, 2021). Given the transfer of the ECD function, it will be important for DBE to clearly understand the composition of this committee, the roles and responsibilities and the effectiveness or lack thereof in certain areas. The adoption of a DDM (discussed above), would be a move in the right direction if adequately supported, capacitated and resourced.

There are concerns that leadership and coordination issues will not be resolved through the transfer of the ECD function from DSD to DBE. DBE has several new roles and responsibilities that it needs to adapt to from April 2022 and will largely be focused on operational issues. Dealing with the multi-sectoral nature of ECD will also be challenging in an environment that is focused on early learning and taking over the coordination role will lead to additional pressure in an already under-capacitated and under-resourced environment. Given such constraints, DBE may need to focus on what it can do most effectively given its comparative advantage, and what challenges it has the capacity and capability to solve in the short- and medium-term, while consensus is built around effective approaches to cross-sectoral coordination and a more cohesive vision for ECD. DBE may also need to make the case for the additional capacity it will need to effectively deliver on the ECD function. Nonetheless, there is a need to develop and implement an effective coordination structure at national level, which could also oversee and support provincial and local levels of coordination. Previously, there were discussions around establishing an agency to support ECD coordination; this idea, however, has not taken off. Alternative structures could include an ECD coordination unit sitting within the Presidency, or an executive committee comprising of the three main departments (education, health and social development), feeding into a larger departmental committee. Regardless of the chosen solution, it is important that the mandate and role are clear; the mandate is accepted by other actors in the sector; and the unit/committee has the requisite capacity and resources.

Box 15 Successful NGO supported coordination in Ethekwini municipality in KwaZulu-Natal

Ethekwini municipality in KwaZulu-Natal, with the support of an NGO called the Project Preparation Trust (PPT), has successfully established a multi-sectoral steering committee for ECD since 2015, which functions as part of an overall programmatic ECD response model. The committee is comprised of provincial and district departments represented by district and provincial officers – including DBE, DSD and COGTA, relevant units of municipalities and departments, Environmental and Health Practitioners (EHPs), NGOs and ad hoc staff to support administration.

Since ECD is an unfunded mandate at the local level, there was no push from the national level (COGTA, SALGA or line departments) to establish an ECD unit in municipalities. Thus, PPT stepped in as a driver of change to support Ethekwini municipality and worked systematically and collaboratively with multiple stakeholders towards an improved ECD response model to achieve higher ECD service coverage and to improve coordination.

The Programmatic Municipal ECD Response model involves several processes with roles and responsibilities spread across the municipality, DSD, COGTA, DoH, NGOs, EHPs, social workers and service providers, including:

- Establishing a multi-stakeholder cooperation and steering committee.
- Assigning a lead municipal department to deal with ECD planning and infrastructure support (an officer is assigned to coordinate with DSD and others, convene multi-stakeholder meetings, coordinate budget, procurement, reports to council, review bylaws etc.).
- Establish capacity for ECD via procurement and/or partnerships with NGOs and other spheres of government.
- Identify and map existing facilities using available data and a field survey if necessary.
- Initiate ECD registration and subsidy programme (social workers and EHPs visit ECD sites, conditionally register programmes at appropriate level, and issue compliance notification to move to the next level).
- Undertake population-based planning (supply relative to demand for ECD programmes).
- Develop and adopt a municipal ECD strategy/sector plan (five-year plan for inclusion in IDP) which includes service backlogs, the infrastructure approach, improvement/new build mix, municipal role, funding, procurement approach, flexibility with regards to by-laws etc.
- Review environmental health/childcare bylaws, Land Use Framework and scheme related matters.
- Arrange basic health care and nutrition services with DoH, food provision with municipalities and feeding schemes with NGOs.
- Reserve ECD infrastructure budget in the form of an initial MIG/Integrated City Development Grant (ICDG) allocation on the Medium-Term Expenditure Framework (MTEF).
- Decide on procurement and delivery solutions.

Once this is done, facilities are prioritised for infrastructure improvements/new builds over the next MTEF; ECD infrastructure assessments and planning is done; ECD infrastructure budget is allocated to a batch of facilities; agreements are signed with ECD service providers; build and handover of ECD infrastructure with an infrastructure completion letter; and supports programme registration which entails follow-up visits from EHPs and social workers.

Ethekwini provides a good example of managing municipal bylaws such as land use requirements and environmental health and safety standards, and in terms of coordination facilitated through a multi-stakeholder steering committee. There are, however, concerns that if PPT leaves, the coordination structure will cease to exist unless it is embedded in the normal functions, roles and responsibilities of a municipality and funding is made available.

Source: PPT (2021).

Coordination at the point of service delivery

There are a number of opportunities to improve coordination at the points of service delivery to improve efficiency and reach families more effectively with holistic support. Some of these opportunities for the education, health and social development sectors are discussed below.

Currently there are a number of positive linkages between early learning services and health and nutrition, but there is room for further improvements. As part of the Children's Act (2005) all children attending ECD programmes must be provided with at least one meal per day and the meals and snacks should meet the nutritional requirements of children. DoH has produced detailed nutritional guidelines for ECD programmes although it is not clear to what extent these are followed.[127] The Children's Act (2010 accompaniment) is fairly detailed on policies and procedures relating to sick children, including when referrals to the nearest hospital or clinic should be carried out and training for staff. However, there is potential to promote further linkages with nutrition and health services by conducting growth monitoring, malnutrition checks and other nutrition services at ECD programmes to reach more children. For example, through CHWs or other health practitioners visiting the ECD programmes to provide such services.

Although ECD programmes can play an important role in referrals of children in difficult circumstances to departments of social development, this link is currently not supported in the system. ECD practitioners are well placed to observe signs of child abuse, or changes in a child's behaviour and can have an important role in the recognition and referral of children in difficult circumstances. However, the minimum standards in the Children's Act 2005 (2010 accompaniment) do not refer to links between ECD programmes and child protection, and these are also not properly included in the quality standards outlined in the ECD registration framework. There is no reference to child protection in the partial care

127 https://ilifalabantwana.co.za/wp-content/uploads/2016/12/Nutrition-guidelines-for-ECD-centres_Draft-2_30-September-2016.pdf

registration, including in the policy and procedure section, and only one reference in the ECD programme registration around communicating any concerns about a child's development and wellbeing to parents. Previous standards developed by DSD in 2006 in collaboration with UNICEF, highlighted a number of aspects related to child protection that could be considered, including:

- ECD practitioners to be trained in the detection and management of child abuse.
- Need for ECD programmes to develop and follow set procedures for the reporting of suspected abuse.
- Forming a link with the Protocols that have been established in all the provinces, so that referrals are made as quickly and smoothly as possible.

There is substantial evidence on the positive impact of access to childcare and early learning services for women's economic empowerment, which could be better reflected in programmes and policies. Recent international evidence highlights positive impacts on labour force participation, productivity and income, and also the quality of work, as well as for improving the participation of older siblings in school, especially girls who often take on some of the childcare burden (Devercelli and Beaton-Day, 2021; Evans, Jakiela and Knauer, 2021). The benefits that accrue from improvements in women's economic empowerment and increased family income, can also support child development through increased investments to promote family welfare such as nutrition, health and education. Childcare and early learning services should be designed and implemented with consideration for how services can maximise these additional impacts, for example, with consideration of the needs and preferences of families with respect to the location, hours and types of services provided, as well as campaigns to improve knowledge of the potential benefits.

There are currently missed opportunities to promote child development through accompanying measures to social assistance grants. Social assistance grants can be combined with accompanying measures focusing on information and parental engagement to help families understand how to support their children's development and promote behaviour change. Potential activities could include: disseminating information on ECD (including nutrition, health and early stimulation) during in person applications at the local SASSA offices; providing caregiver education and training; book distribution to encourage reading at home; or providing top-up funds for ECD-related purchases, behaviour changes or outcomes. Accompanying measures have been used successfully in many countries (Box 16), with significant improvements in parenting practices and child cognitive, language and socio-emotional development outcomes. Currently, all social assistance grants in South Africa are unconditional. The social assistance system is focused on providing relief and income, rather than attempting to address structural development challenges and underlying causes of poverty and inequality (either alone or in collaboration with other government interventions). This is a deliberate policy choice that aligns to the Government's rights-based approach and there are also concerns that children would be penalised in the case of non-compliance by

parents. Still, some countries have implemented conditional cash transfers with very positive results, particularly in Latin America, and soft conditionalities or top-up incentives could be considered.

Integrating accompanying measures into social assistance grants could be an important mechanism to enhance parental information and engagement, building on existing initiatives. The Children's Act (2005) and NIECD (2015) both highlight the importance of family participation in programmes and communication with families to ensure they have information to help them access services as well as understand what they can do to support their children's development. DoH has made recent progress integrating a set of holistic early childhood messages into national communication campaigns, going beyond maternal and child health to include nutrition, early stimulation and responsive care, protection from disease and injury, health care and extra care and support. The Side-by-Side campaign, led by DoH, aims to increase understanding of the scope of child development and vital role of caregivers, as well as shift perspectives of healthcare workers around maternal and child primary care from 'survive' to 'survive and thrive'. The messages cover nutrition, love, protection, healthcare and extra care, and are disseminated through multiple communication channels, including radio and booklets distributed through healthcare workers[128]. The Road to Health Booklet should be given to all families at the time of birth. It is used by CHWs to track child growth and immunisation but also contains key messages around breastfeeding, developmental milestones and how to interact with your child. The DoH recently restructured the booklet into the five areas of the Side-by-Side campaign. The weekly Side-by-Side radio show reaches 4.2 million people, and a drama was also piloted in 2019 to reinforce these messages. This is a good example of how existing health and nutrition infrastructure could be leveraged to promote early stimulation and parent engagement. For the early learning interventions, the ECD registration framework for ECD programmes focuses on parental engagement to support children's development through questions around scheduled feedback, keeping records of children's progress, and communicating concerns to parents. However, there is a need for a national media drive to highlight the benefits of ECD programmes and convey to parents the importance of quality early learning settings and programme registration, in order to support the drive for registration[129].

128 https://sidebyside.co.za/radio
129 Key informant interviews.

Box 16 International examples of accompanying measures to promote child development

In several countries, including in Peru and Madagascar, providing a package of accompanying measures – family sessions on better parenting, nutrition and children's cognitive stimulation together with grants – has shown positive impacts on child and social outcomes.

Peru The Cuna Más program reaches 105,000 children under three and pregnant mothers through weekly home visits and group meetings with caregivers twice per month. Both sessions are facilitated by trained community facilitators. The curriculum was adapted from *Reach Up* and includes structured hygiene, play, game and storytelling activities with leave-behind toys to practice between visits. An impact evaluation found large and significant effects on children's cognitive and language development outcomes as well as smaller but significant effects on communication and problem-solving skills, especially for girls and children from vulnerable households.

Madagascar Mother Leaders are elected from the 40,000 cash transfer beneficiaries and are trained to lead monthly one-hour group sessions with 20-25 mothers. The curriculum was adapted from UNICEF's *Key Family Practices*. While they wait to receive their cash transfer payment every two months, some of the mothers also participate in 30-minute, small group planning sessions to build their self-confidence and plan for their financial and family well-being. An impact evaluation has shown significant reductions in food insecurity as well as significant improvements in parenting practices and child cognitive, language and socio-emotional development outcomes. The effects of child development outcomes were double those of children whose families only received cash transfers only.

In South Africa, the child support grant is paid to low-income families and could be supplemented with activities to build parental knowledge and skills to support their children's development. One challenge will be identifying or recruiting the potential workforce to take on this work and to train and support that workforce to roll-out the effort.

Sources: Datta et al. (2021); Rawlings, Trias and Willenborg (2020).

There are potential opportunities to leverage the CHW platform to provide broader parental support and promote early stimulation. The NIECD policy (2015) attributed increased responsibilities to the DoH for additional core services for the first 1,000 days, including parenting support programmes and opportunities for learning and stimulation through additional home visits and community-based activities for very young children. It stipulates that these services are to be provided by the CHWs and Health Promoters. A 2018 study found there that was broad support for strengthening services during the first 1,000 days, but limited awareness of the NIECD policy at provincial and local levels. For example, during a consultation with CHW Coordinators of five provinces (including Western Cape and KwaZuly-Natal) no one reported being aware of the policy (ECWI, 2018). This approach would require a mindset shift given the focus of CHWs is currently on HIV and TB services (which are funded through a

conditional grant and more closely monitored) and child survival. There are also concerns that CHWs do not have space in their work programme, and that adding additional services runs counter to the longer-term aim to simplify the CHW role (ECWI, 2018). No standardised package of services has been articulated by the DoH and no additional funding has been made available for the implementation (ECWI, 2018, Hatipoğlu et al., 2018). Stronger political commitment as well as a series of actions would be needed to incorporate the first 1,000 days services into the role of CHWs, including: conducting a diagnostic to understand the current CHW services and competencies in more detail; defining the package and role of CHWs in relation to the first 1000 days services; and providing training and supervision to develop the appropriate competencies (ECWI 2018).

Box 17 International example of CHWs incorporating broader ECD services

The **Lady Health Worker (LHW) programme in Sindh Province, Pakistan** integrated a psycho-social stimulation package into monthly group and home visits already part of routine health services to support pregnant women and children ages 0-24 months. LHWs were trained on an adapted Care for Child Development programme and were equipped with home visit guides, group session guides and sample toys. As the Lady Health supervisors already had a full workload of 25 LHWs and did not have a background in ECD, the programme hired and trained ECD officers to provide supportive supervision twice per month (once during a home visit and once during a parenting group). Each supervisor supported ten LHWs and they were responsible for liaising with the Lady Health Supervisors, who were also supposed to observe and coach the LHWs.

The integrated package was found to enhance rather than dilute routine health services. LHW spent more time in home visits and covered more topics on child health, nutrition and development, while guidance in the standard intervention was focused on polio/vaccination. The guides provided structure for the group meetings and the caregivers appreciated the focus on building relationships and practical activities. At age 2, children exposed to the psych-social stimulation package had significantly higher cognitive, language and motor skills than children receiving routine health services, and their mothers had significantly greater parenting knowledge, practices and mother–child interactions.

The programme's success factors include the alignment with existing services, cultural adaptation of messages, and investing in ECD officers to provide regular supportive supervision and problem-solving, especially at the onset, to help the LHWs build skills and adjust to the new responsibilities. Considerations for scale include building capacity of supervisors, trainers and management to support skills of LHWs; building capacity to regularly use data for decision-making and course correction; and keeping programme leadership regularly informed of progress to help them identify opportunities for further investment.

Source: Yousafzai et al. (2018).

9.3 Linking of budgeting and planning

Close links between budgeting and planning are central to the coordination of public finances and coherence between government policies and programmes (PRSA, 2010). The Medium-Term Strategic Framework (MTSF) highlights that substantial progress has been made in establishing and institutionalising South Africa's planning system across departments (DPME, 2019). This has been a culmination of steps that government and non-government stakeholders have taken towards an integrated national planning and monitoring system.

Despite the progress made, several weaknesses remain (DPME, 2019), including the lack of:

- Clarity on the powers and functions of the Department of Planning, Monitoring and Evaluation (DPME) as the department tasked with overseeing planning.
- Culture of evidence-based decision making in planning processes.
- Coordination between plans and programmes across spheres of government.
- Linkages between annual plans and budgets.
- Capacity of departmental staff across all spheres to collect and use data.

There is no holistic approach to budgeting for child development across key departments and key interventions, contributing to insufficient funding levels. The annual budget sets out the funds that have been allocated to an institution to deliver services. It provides the resource envelope for the year ahead for each department and sets indicative budgets for the Medium-Term Expenditure Framework (MTEF). It is developed within the framework of the Strategic Plan and must be informed by its Annual Performance Plan (APP). But there is no holistic approach to budgeting for child development across key departments and key interventions; this results in insufficient funding levels and disparate funding flows, in particular for areas which span multiple departments, such as nutrition.

Annual performance plans of provincial departments are meant to explain the alignment of budgets to desired outcomes, but are too thin on detail, and in some cases not easily available. Departmental Annual Performance Plans (APPs), which are meant to account to provincial legislatures and the public on the intended use of funds, provide insufficient details, and it is common for departments, in both the education and social development sectors, to make plans available online only a few years after they have been approved. To illustrate, the most recent APP of North West PDSD available online in late 2021 was the 2018/19 APP, and it provided no details on how almost R100m of annual expenditure for compensation of employees within the relevant ECD programme was used[130]. Similarly, in the most recent Limpopo APP, from 2019/20, what constitutes compensation of employees in what is primarily an ECD subsidy sub-programme is not clear.

130 In that APP, the 'ECD and partial care' sub-programme is numbered 3.5, and not 3.4. This illustrates the fact that charts of account are not completely standardised across provinces. As discussed previously, categories such as 'compensation of employees' below the sub-programme level are not specified in standard public plans and reports, though this would appear in the National Treasury EPRE Excel files published online.

Annual plans and reports omit key indicators needed to understand ECD system performance, and do not allow for easy comparison over time or across provinces. A broader problem with departmental APPs, and annual reports, is that they tend to focus extensively on populating standard tables with expenditure values and non-financial indicator values, but very little on matters such as unit costs, purchasing power trends within budget programmes, balancing of non-staff and staff inputs, and the relationship between expenditure patterns and service delivery outcomes (National Treasury, 2017). Findings reported in APPs are revised in the Departments' Annual Reports (ARs). Unfortunately, auditors commonly point out challenges in having the time or data available to confirm reported progress on ECD indicators. Moreover, while information is available, the format in which it is reported makes it challenging to compare progress between provinces and within provinces from year to year, and even more so over longer periods of time.

To improve reporting and management and use of data will require considerable investments in building human capacity. This task is a complex one, because current departmental reporting practices are deeply entrenched. Yet the APPs and ARs represent an important nexus for improving planning and accountability, in part because these documents are tabled before legislatures. They also provide an opportunity to bring together various data sources, including smaller databases managed by individual departments. Across the sectors, there is a need for unit costs and cost drivers to be monitored more effectively, as this influences trade-offs between increasing the coverage of ECD services and the quality of these services.

9.4 Availability and use of ECD data

Availability of key data on implementation of ECD services and key child development outcomes is essential to allow for effective budgeting and programming and to track system performance to allow for course corrections. The remainder of this section discusses the availability of data on expenditure targeted to child development and on service provision and outcomes for the three examined buckets of ECD interventions as well as steps to help strengthen data availability and use.

Some of the improvements needed in relation to survey and administrative data are neither very costly nor very complex. For example, more transparent reporting on exactly where ECD programme subsidies flow can be achieved with relative ease. In a technical sense, better use of data in the annual plans and reports of government departments is not very difficult to achieve, though a better focus on the efficiency of expenditure and outcomes would arguably require a deeper change in the planning culture, and greater technical capacity to deal with these matters.

Existing data is under-utilised which is linked to a lack of capacity and incentives. Addressing outstanding data gaps (discussed below), must be part of the strategy for improving services for young children. A further problem is that the data that are available, are in many

cases under-utilised for planning purposes and quality assurance. This is a problem often linked to a shortage of skilled analysts and weak enabling environments, a matter that has received attention in South Africa in the past (National Treasury, 2017).

Indicators to monitor ECD system quality are not standardised or stored in a way that allows for straightforward verification or comparison. A study by Ilifa Labantwana found that while indicators set by the National DSD's monitoring and evaluation unit and those set by the DPME sound similar, they have certain nuances and tend to be calculated differently. There is no legislation guiding the development and monitoring of quarterly and annual performance indicators for the ECD system. The only standardised tool is DPME's Electronic Quarterly Performance Reporting System (EQPRS), which is used for the online submission of final indicator values. Further identified gaps highlight that provinces tend to interpret indicators differently; indicators are not automated and data lists are kept separately, which is an administrative burden and can result in errors when calculating indicators; documentary evidence is not scanned and stored digitally to enable national departments to verify reported indicator values; and indicators are reported quarterly with no trendlines to show whether service delivery has improved (or not) over time (Ilifa Labantwana, 2020). This is another area where improvements could be achieved in a relatively short space of time and at a relatively low cost.

Public expenditure data

Statistics South Africa generates key data for ECD. This includes the General Household Survey (GHS), which is an indispensable source for monitoring several services directed at children, as well as the fees households contribute towards ECD programmes. Even with improvements to administrative systems, for instance in relation to ECD programme data, the GHS will continue to be required, in part so that the reliability of indicator values derived from administrative data can be verified. Other Statistics South Africa data also play an important role. Birth registrations and mid-year population estimates are systematically reported on. However, the accuracy of mid-year population estimates should receive more attention. Growth and shrinkage of age cohorts in the child population at particular points in time have implications for future budget pressures, or the easing of such pressures. For this to be properly planned for requires historical population estimates to be as reliable as possible, and future projections to be calculated. South Africa, like many developing countries, pays insufficient attention to demographic modelling which can inform future scenarios.

Reporting on national and provincial expenditure is considered to be extensive and of a high standard in South Africa. The country has for many years been among the top performers in the Open Budget Survey[131], that focuses on, among other things, budget transparency. In the most recently published rankings for 2019, South Africa and New Zealand shared the top position.

131 https://www.internationalbudget.org.

Reliable provincial expenditure data is publicly available except some specific key data. Publicly released data has now been extended to include economic classification below the budget sub-programme level. Given the centrality of provincial government departments, in particular in the three sectors of education, health and social development, in the delivery of services to children, provincial expenditure data are critical. A key gap, however, is little to no publicly available data on provincial expenditure on the ECD subsidy at the level of each programme. To some extent, such information has existed in the past for one province, KwaZulu-Natal, but even here this seems to have been discontinued. The 'migration' of ECD programmes to the education sector offers an opportunity to remedy this gap. The essential data which should be public includes the names of ECD programmes, unique identifier codes for each programmes, their municipalities and geo-coordinates, amounts of subsidy funding received, and how this is driven by number of children, number of days and the daily subsidy amount. Where transfers and subsidies expenditure on ECD programmes are not linked to the subsidy but to other programmes, for instance infrastructure development, this should be made clear.

Differences in expenditure classification by provinces sometimes make it challenging to compare expenditure. For example, at least one province appears to record grade R expenditure under the budget programme 2 'Public ordinary school education' rather than under programme 5 'Early childhood development'. Ensuring consistent use of classifications across provinces is important to allow for comparability.

Early learning data

Considerable investments are needed to improve availability of ECD programme data. There is a clear need for better data collected from ECD programmes. Design of the required systems has already begun, with lessons being drawn from the recently completed 2021 ECD Programme Census, an initiative of DBE. Previously, no national system for the regular collection of these data has existed. The plan is for the new system, like the ECD Census 2021, to cover all ECD programmes, whether publicly funded or not. The system will need to record, among other things, the ages of enrolled children, fees charged, details around any public subsidies received and staff numbers and qualifications. Given its experience in the monitoring of schools, DBE should be well equipped to build and maintain such a system.

It will be important for DBE to consider what type of management information system (MIS) is required for ECD programmes, rather than simply adopting the current EMIS. A key design question is whether to transition from the collection of numbers of children to the maintenance of a database of individual children. While the latter approach provides more monitoring opportunities and offers an additional layer of protection against fraudulent data, this approach is more costly and is difficult to implement properly. To illustrate the latter, in the schooling system it has proven difficult to maintain sufficient integrity of learner identifiers to permit proper monitoring of movements across provinces and institutions (Van der Berg et al., 2021). A further important design question is whether to have a two-tier data collection system,

with one tier involving just publicly subsidised ECD programmes and more intensive data collection, and a second tier for unsubsidised programmes. Arguably, publicly subsidised ECD programmes, which ideally enrol the most vulnerable children, merit more frequent monitoring and the collection of additional data fields.

Data to assess the quality of ECD programmes is currently not collected on a regular basis. The Thrive by Five Index Survey launched in April 2022 provides nationally representative data on key child development outcomes, including early learning and physical growth, for children ages 4-5 who attend ECD programmes, for the first time (see Box 3 for more details). However, data on the quality of ECD programmes, which is essential to improve the quality of early learning services and to direct resources to the most effective interventions, is currently not collected. The Thrive by Five Index Survey was accompanied by an array of contextual questions known as the 'Baseline Assessment' in a sample of ECD programmes to better understand quality in different types of programmes. However, this is understood to be a one-off assessment rather than on-going monitoring of quality to inform planning and resource allocation.

An effective mechanism to assure the quality of ECD programmes does not currently exist. To ensure ECD programmes provide quality services it is necessary to monitor quality, not only in terms of early learning levels as discussed earlier, but also in terms of the services delivered. Monitoring of ECD programmes focuses on compliance with registration and financial reporting, as well as collecting data on indicators for Annual Performance Plan (APP) reporting. When under DSD, on-going monitoring of ECD programmes took place quarterly, although due to capacity constraints there was a reliance on self-reporting by providers, with verification checks by PDSDs. This work was done by social workers without the expertise or training to carry out classroom observations or to assess the quality of practice. In some cases, monitoring is designated to local levels, which may have staff with limited early learning expertise and inadequate capacity to collect and analyse data. This approach to quality assurance has not been concerned with other key aspects of quality such as staff-child and child-child interactions; conditions of employment for ECD practitioners; and programme engagement with parents (section 3.3), or with providing feedback to providers on areas to improve in and how. Improving the quality assurance of ECD programmes is on DBE's agenda after the shift of the ECD function, and DBE is currently working to develop a Quality Assurance Support System (QASS) with DSD in partnership with Ilifa Labantwana, that examines many of these aspects.

Family support data

For child grants, the SOCPEN system tracks coverage across income quintiles, as well as applications and payments. However, there are still limitations in terms of what data is collected (lack of data on outcomes) and how the data is used. There is limited collaboration and sharing of information across government departments in a way that might create synergies and amplify impact, although this is expected to improve will the development of the National Integrated Social Protection Information System.

Data on the child grants is available and could be used by departments of social development to inform policy. SASSA payments data are extensively used in the compilation of detailed social grants reports by SASSA. Published figures on grant beneficiaries tally well with separately published expenditure figures. However, the grant payments data could arguably be used better by SASSA to answer critical policy questions, such as why entry into the child grant system is so often delayed during the first year of a child's life. Moreover, better analysis of data on the Social Relief of Distress (SRD) programme could help to clarify what the impacts of this programme are, for instance, in the area of child nutrition. This, in turn, could help bring about a more focused policy direction with regard to this programme.

There is a need to produce more precise estimates of the child population in order to accurately measure child grant coverage. SASSA's statistics on the uptake of the child grants and such statistics derived from the GHS, do not tally. There is little reason to doubt GHS-derived statistics, suggesting that the mid-year population estimates used by SASSA are the source of the problem. SASSA's planning and reporting should take this into account, while acknowledging that problems around the population estimates will take time to resolve.

Data on the number of beneficiaries of services to protect children and support families is available in provinces' annual reports. For example, the number of children accessing child and youth care centres, social work services and psycho-social support and the number of family members participating in family preservation services or parenting skills programmes. However, there is virtually no reporting on the outcomes of these services such as the percentage of children in need of care and protection in child and youth care centres accessing this service (partly due to a lack of data on the prevalence of child abuse). Other key data such as staff versus non-staff inputs and unit costs is not reported. As a result, it is not possible to assess whether services are achieving their intended outcomes.

Estimates of the costs of administering the child grants are not publicly available. SASSA could use its data to report systematically on the administration costs associated with the payment of its grants, including the child grants.

Early nutrition data

Fragmentation of interventions across a number of departments have resulted in weak data for child nutrition. Nutrition interventions are dispersed across a number of departments without a central function to bring all the information together, including: the NSNP and food provisions within ECD programmes under DBE (formerly under DSD); nutrition supplementation and community outreach under DoH; and social grants in SASSA (NFNS, 2018-2023).

For early nutrition, there are data quality issues and several key indicators are only collected at long intervals. The District Health Information System (DHIS) is often the preferred data source for service delivery indicators in the sector. However, in several provinces data quality seems to be problematic (Jinabhai et al., 2021). This is likely to affect adversely decision-making in multiple areas, including the area of child nutrition. Moreover, a major barrier to monitoring quality is that data for several key nutrition outputs and outcomes are not regularly collected (NFNS, 2018-2023: p110), such as:

- Coverage of nutrition interventions.
  Infant and young child feeding practices.
- Micronutrient outcomes, such as anaemia, among young children and pregnant women.
- Vitamin A deficiency in children of pre-school age.
- Stunting prevalence by wealth quintile.

Because key nutrition indicators are available at long intervals only (for example, 13 years between the two most recent South Africa Demographic and Health Surveys (SADHSs), means that data for some indicators is outdated and does not capture the current situation, and makes it difficult to track changes over shorter periods of time. This constitutes a major barrier to effective planning for and targeting of nutrition interventions.

The current status of mechanisms to monitor the quality of nutrition interventions is not clear. In 2011 South Africa adopted the Ward-Based Primary Health Care Outreach Team (WBPHCOT) Strategy with the goal of integrating existing community-based services into outreach teams organised according to wards (Box 14). The third goal of the Strategy is to strengthen health and nutrition monitoring and evaluation systems through the following steps: (i) review and standardise current indicators and data collection tools across all provinces; (ii) establish the required structures at national, provincial, district and PHC facility level for data collection and reporting; (iii) ensure submission of monthly activity data from PHC facilities into the DHIS, quarterly progress reports and five-yearly outcome and impact reports from the DoH and provinces. It is not clear to what extent these different elements have been implemented but reporting in health sector Annual Performance Plan (APPs) and ARs would suggest that much work remains (section 7.2).

Box 18 Key elements of successful country approaches to promote child development

A key aspect of efforts to promote ECD is how to ensure that children and families receive the range of cross-sectoral services that lead to better child development outcomes. Across successful approaches to scale up ECD services used in Chile, Peru, Indonesia and Senegal, there are four common elements:

- Effective multi-sectoral engagement.
- Empower and incentivise local and/or regional government.
- Engage parents and communities to change behaviour.
- Target the most vulnerable.

Peru: targeting the most vulnerable regions and working across sectors

Peru has made a series of investments in young children's development in the last two decades. A dramatic shift in the approach occurred during the 2006 Presidential election when a group of civil society organisations launched a major effort to lobby all candidates to sign a pledge to implement ten recommendations for how the government could reduce child malnutrition in the first 100 days in office. It called for a concerted plan to increase investments and implement multi-sectoral nutritional programmes under the authority of the Presidential Council of Ministers (PCM), with extensive engagement of local government. The approach was highly cross-sectoral, with strong political commitment sustained across six presidential administrations. Key aspects of the approach include: results-based budgeting; shifting funding from community feeding programmes that served older children to interventions more likely to reduce stunting in the first 1,000 days; introducing conditional cash transfers; expanding health insurance for the poor; improving growth monitoring and promotion; strategic communication to change behaviour; and setting a target to achieve 100% enrolment for early childhood education in the poorest districts, along with efforts to improve the quality of early childhood education.

The results are impressive. Peru had major success in achieving the Health Millennium Development Goals and was ranked first globally among 75 low-income and middle-income countries on the reduction of neo-natal mortality and second in the reduction of under-five mortality. The stunting rate has been reduced from 28% in 2008 to 14% in 2016, and equity in health-care use and in health outcomes improved significantly. A series of education reforms have improved quality and target the most vulnerable families, including a massive expansion of participation in early childhood education from 35% in 1995 to 89% in 2015.

In 2012, an online birth registration system was launched, which allows doctors and obstetricians in health facilities with internet connection, to complete the birth certificate online immediately following a child's birth. A copy of the birth certificate is printed and given to the parents, who then take the birth certificate to their local municipal civil registry office to be issued with the official legal birth certificate, which is then used to access the national identity card which is required to access education, health and other services. This simple registration process allows for much faster access to other key services and support for vulnerable families.

Indonesia: promoting convergence, coordination and consolidation

The Government of Indonesia is rolling out a performance-based approach to address malnutrition and improve early childhood outcomes, working within the country's highly decentralised context.

The five pillars of the approach are: (i) national leadership; (ii) public awareness; (iii) national, regional and community programme convergence, coordination and consolidation; (iv) nutritional food security; and, (v) monitoring and evaluation.

Innovations within the approach include a 'Village Convergence Scorecard' to monitor convergence of access to 14 key early childhood indicators; the scaling up of a cadre of 'Human Development Workers' and a number of innovative uses of technology to engage and empower citizens, monitor programme results and track expenditure. This Village Convergence Scorecard approach is proving effective at shifting how early childhood services are delivered at the village level to ensure children and families are reached with the full range of services needed. The human development workers are proving to be an effective workforce to reach families and young children, and the smart use of technology is enabling them to work more efficiently and for results to be tracked better.

Senegal: building on community nutrition platforms

Senegal has the lowest stunting rate in Sub-Saharan Africa (reduced from 34% in 2000 to 19% as of 2014), thanks in large part to a successful community-based nutrition platform which reaches nearly 80% of all families in the country. The National Council of Nutrition Development (CNDN) is a quasi-governmental entity that oversees the National Nutrition Enhancement Program and takes a cross-sectoral approach to address the multiple barriers that women face in accessing nutrition and finances for their families. Targeted interventions focus on empowering women in the areas of the country with high prevalence of food insecurity and acute malnutrition.

Innovative interventions include: the production and processing of agricultural and animal goods with high nutritional value; the economic management of new technologies; building community solidarity for access to production assets; providing health, nutrition, hygiene, and sanitation services; and the promotion of essential family health and nutrition practices. This approach places women at the centre of the community mobilisation strategy, but also engages village leaders and local governments. Communities have adopted good food, health and hygiene practices, for example, hand washing after toilet use and before cooking food, exclusive breastfeeding for the first six months, and frequent and diversified feeding of children over six months of age and innovations, such as the use of locally fabricated fuel-efficient cooking stoves and improved poultry survival technology.

These new tools have improved household food security, diversification and feeding practices of children and pregnant and lactating women. Additionally, vulnerable villages (based on acute malnutrition rates, recent occurrences of food insecurity shocks, and those located at least 10 kilometres away from any major road) were included in social safety nets, as well as into the development of nutrition sensitive activities at the community level.

Building off of this success, in 2018, the Government of Senegal and the World Bank worked together to design the Senegal Investing in the Early Years for Human Development Project, which builds on existing platforms within the nutrition, social protection and education sectors to improve early childhood outcomes targeting the regions with the worst outcomes.

It supports families and communities with a mix of efforts to improve nutrition, early stimulation, early learning, birth registration and child protection, using the existing cash transfer system and social registry; public, community and faith-based schools; and community associations. The approach is designed to target families most in need and to reach them through existing platforms they already access. Thus far, the results are promising. Birth registration has increased from 45% to 71% in just a few years. The integration of more parent support and early stimulation efforts into the community nutrition platforms is moving forward quickly with near nationwide coverage expected within its first year of implementation. And more than 50% of all children ages 0 to 6 will be reached with high-quality storybooks in the language they speak at home by the end of 2022, to support learning efforts at home and build resilience in case of future school closures.

The **Chile Grows with You** (Chile Crece Contigo – ChCC) child development system was established in 2007 to provide universal child development services for all children from gestation to age 4 and targeted services to children from socially or economically vulnerable families.

Under this system, the Intersectoral Support Committee for Social Development has the legal authority to develop the guidelines and services for the system. The Ministry of Social Development (MSD) is responsible for coordinating with the ministries of education and health, but ChCC was also empowered by a higher-level structure within the Presidency. Within the committee, each ministry has technical authority over their sector with defined roles and responsibilities for service provision. At the regional level, the Regional Head of ChCC is responsible for coordinating across the Regional Ministerial Secretariats. This is a full-time position based within the Ministry of Social Development which requires a bachelor's degree, three years of relevant work experience and an advanced understanding of the law that enshrines ChCC.

Figure 32 *Chile Grows with* You management support structure

National level	**Inter-Ministerial Committee for Social Development**		
	Ministry of Health	Ministry of Social Development **COORDINATION ROLE**	Ministry of Education
Regional & provincial level **SUPPORT ROLE**	Regional Ministerial Secretariat for Health	Regional Ministerial Secretariat for Social Development	Regional Ministerial Secretariat for Education
	Health services Chile grows with You Manager	Chile Grows with You Regional Manager Provincial Social Protections Coordinator	National Early Childhood Education Board (Junji) Integra Foundation
Municipal Chile grows with You Municipal Network **IMPLEMENTATION ROLE**	Health	Municipality **LEADERSHIP ROLE**	Education

Source: World Bank (2018).

For South Africa, to successfully scale up ECD services while ensuring their quality, effort is required across the four key elements.

- Establishment of an institutional ECD body with a clear mandate to lead across different sectors and government spheres to ensure effective coordination of budgeting, implementation and performance tracking.
- Strengthening of relevant provincial departments (staff numbers and capacity) to improve ECD programming, implementation and monitoring, as well as increased national funding to enable provinces to provide essential ECD services to all eligible children.
- Active engagement with parents and communities on ECD, including through home visits by CHWs to educate caregivers about appropriate nutrition and early stimulation during the early years.
- Improved targeting of ECD services to families most in need. This may involve facilitating the processes to apply for the Child Support Grant; to register as an ECD programme; and to apply for the ECD subsidy.

Source: World Bank (2018).

10. Options to improve the priority ECD outcomes

A substantial increase in funding for the ECD system is inevitable if the Government's priorities of reduced malnutrition and improved early learning are to be achieved. Malnutrition levels are high while expenditure on nutrition interventions aimed at young children is minimal overall and compared to the early learning and family support interventions examined. ECD programme coverage is insufficient, and the ECD subsidy far from covers all eligible children, and early learning levels are very low. To substantially improve these priority outcomes, will require increases in funding coupled with system strengthening. To adequately fund the ECD system is a challenge in an environment of limited fiscal resources and uncertainty over the economic outlook. This would involve focusing on a set of key interventions with expected high rates of returns sequenced to ensure fiscal affordability, as well as targeting of additional funding to geographic areas and groups currently at a disadvantage in terms of access to ECD services.

Direct increased funding for ECD to expenditure on nutrition and stimulation interventions for the youngest children. Brain development is by far the fastest during ages 0 to 2 and heavily dependent on adequate and appropriate nutritional intake and stimulation by parents and care givers. Increased investments during this period in interventions to promote nutritional improvements and early stimulation will yield higher returns than investments in other types of interventions, or interventions for older children. In addition to the lifelong benefits to individual children, it would accomplish cost savings in the education system through increased retention and enhanced learning outcomes and in the health system through improved health outcomes; and contribute to economic development and growth in the country.

Target public expenditure to the most disadvantaged geographic locations and children. There are large disparities in ECD outcomes by geographic location. Further, many young children are doubly disadvantaged, living in food insecure households while not attending any form of ECD programme. In a context of limited fiscal space, targeting expenditure to provinces, and within provinces to municipalities, where the most disadvantaged young children in terms of access to ECD services and outcomes live would increase equity in the system and contribute to larger improvements in overall ECD outcomes than investing in more advantaged areas.

Current expenditure on the three intervention buckets examined by this review comes to approximately R36.1 billion per year. The options to improve the priority ECD outcomes, based on the findings of this review, presented here, are those considered high priority, and have been phased for fiscal affordability and to ensure appropriate sequencing in terms of implementation.

The additional annual cost for the phase 1 (years 1 and 2) options is R1.1 billion and for the phase 2 (years 3 and 4) options R10.2 billion, plus some additional cost for the options for which exploratory work or a needs assessment is required. The total annual indicative cost of implementing the options (not all costed) is R11.3 billion after the first year (Table 28). This compares to an estimated annual cost saving (across education, health and productivity) of reducing child malnutrition in South Africa of R62 billion (Jamieson and Richter, 2017), and there would be further cost savings stemming from improved early learning levels. This makes clear why additional investment in the ECD sector is imperative, not only from a child but also from a country perspective.

A. Improved early learning

A large majority of children who attend ECD programmes does not achieve expected levels of early learning, and for children who do not attend the situation is likely to be even worse[132]. Improving early learning levels requires expanding access to ECD programmes providing quality early learning services. This would involve interventions in multiple areas to encourage the establishment of new ECD programmes; reduce the cost for families of enrolling their children in such programmes; ensure adequate and appropriate capacity of staff in Departments of Education to support ECD providers; and raise the quality of ECD programmes.

Improving access to early learning services will require three priority actions:

A1: Streamline the processes for ECD programme registration and subsidy application (Phase 1). Providers face multiple challenges with the registration process in terms of document requirements; standards to be met (especially on infrastructure); bylaws to be complied with; the need to engage with multiple departments across different spheres; and the requirement for renewal every five years. As a result, a very large proportion of ECD programme providers are unregistered which means that, at least in theory, they cannot access the ECD subsidy. The forthcoming Second Children's Amendment Bill should streamline the onerous processes relating to two separate forms of registration (as an ECD programme and as a partial care provider) used in several provinces and abolish the requirement for NPO registration to be eligible to apply for the subsidy. Another challenge is that municipal bylaws applied by different municipalities are not always suitable for ECD programmes. To amend this would require agreement and coordination between national, provincial, and municipal governments on the regulations or bylaws that should apply for ECD programmes. More effective quality assurance of ECD programmes, could help negate the need for re-registration every five years (see below). It would also be important to standardise the eligibility criteria for accessing the ECD subsidy, which are currently only loosely specified in the 2015 NIECD policy.

132 Data on early learning outcomes for children who do not attend ECD programmes is currently not collected.

Indicative cost: Within existing budget.

A2: Provide more access to infrastructure grants for private providers of ECD programmes (Phase 2). Increased registration is needed to expand the number of ECD programmes that qualifies for the ECD subsidy to help lower the fees poor parents must pay and raise programme quality. One of the reasons ECD programmes remain unregistered is that they do not meet the infrastructure standards in the ECD registration framework. Although local government is responsible for supporting ECD programmes to meet the minimum infrastructure requirements, in practice very few do. One reason is that most municipalities do not seem to interpret the legislation to mean that infrastructure for ECD programmes is a local responsibility and historically there has been some aversion to provide infrastructure funding to private entities. With the transfer of ECD responsibilities to DBE, there is an opportunity to increase funding for ECD infrastructure through the Education Infrastructure Grant (EIG), which is a provincial grant used by PDoEs for school construction. Of critical importance will be: (a) to establish construction standards and norms for ECD programmes; (b) to ensure all providers, are aware they can have access to the funds if they are serving poor communities with early learning services; and (c) to ensure the procurement processes for small construction is not overly cumbersome and where capacity exists, management of the construction is decentralised to the community level.

Not costed. Exploratory work needed.

A3: Provide provinces with sufficient funds to provide subsidies for all children attending ECD programmes who meet the eligibility criteria while returning the subsidy amount to its 2015 purchasing parity (Phase 2). Many ECD programme providers do not receive the ECD programme subsidy for all eligible children because of insufficient provincial budgets allocations. Currently an estimated 1.1 million children enrolled in ECD programmes who are eligible for the subsidy are not receiving it. To expand subsidy funding to cover all eligible children attending ECD programmes, would help improve access for the poorest children and raise the quality of services provided. Moreover, past increases in the subsidy amount (currently R17 per-child per-day) have not compensated for the effect of inflation that has eroded its real value, to do so would require bringing the subsidy amount to R21 per-child per-day. It should be noted that even after such an increase, this amount would not cover the estimated minimum cost of operating a programme of R31 per-child per-day. Expansion of the number of ECD programmes though increased subsidy funding would also serve to create jobs in the informal sector, benefitting mainly low-skilled women.

Indicative cost: **Additional R6.8 billion per year.**

- *Unit cost (amount returned to 2015 purchasing power): R21 per-child per-day (source: calculations using food component of Stats SA CPI).*
- *Number of days per year to receive subsidy: 264 (source: DSD).*
- *Number of children ages 0 to 5 attending ECD programme and receiving the subsidy: R626,574 (source: DSD).*
- *Number of eligible children attending ECD programme not receiving the subsidy: 1.1 million (1.7 million CSG recipients ages 0 to 5 attend an ECD programme) (source: GSH 2019 estimate).*
- *Assumption: ECD subsidy beneficiaries are also CSG recipients (similar means test).*
- *Additional annual cost (newly + already subsidised): (21*264*1.1 million)+(21-17)*264*626,574)=R6.8 billion.*

Improving the quality of ECD programmes will require five priority actions:

A4: Conduct a capacity needs assessment for DBE and provincial departments of education and recruit and train staff as required in light of the ECD function shift (Phase 1). Several of the options will require increases in the quantity and capacity of staff supporting ECD services. Given the new mandate of DBE and PDoEs for coordinating ECD services, an assessment of required versus existing roles and skills in these departments to coordinate and support service delivery will be essential. Once staff capacity needs are identified, there will be a need for training and support as well as hiring of new staff. While this intervention will require additional funding, having adequate capacity to deliver support is a pre-requisite for success of other interventions.

Not costed. Capacity needs assessment required.

A5. Measure child development outcomes regularly (Phase 1). The Thrive by Five Index Survey launched in April 2022 provides nationally representative data on early learning and physical growth outcomes for children 50-59 months attending ECD programmes for the first time, and this should be made a regular exercise. It would also be important to extend the measurement of child development outcomes to children not attending an ECD programmes and to children who are younger in order to monitor progress on a regular basis. This would likely require adding a module to collect the required data as part of an existing household survey such as the South Africa Demographic and Health Survey (SADHS) or every two rounds of the annual General Household Survey for more frequent measurement.

Indicative cost: Not costed.

A6. Establish a system to assure the quality of ECD programmes that is focused on supporting and incentivising providers to improve quality (Phase 1). Data on the quality of services provided by ECD programmes, is essential to monitor and improve quality but is currently not collected at regular intervals or in enough detail. DBE has begun the design of a

new management information system (MIS) for ECD programmes, with lessons being drawn from the 2021 ECD Census. This work should involve several components including to: select and standardise key indicators for ECD programme quality across provinces; regularly collect data on the standardised indicators; and make these indicators and underlying data publicly available. It will be important for DBE to consider what type of management information system (MIS) is required for ECD programmes, rather than simply integrating it into the current Education Management Information System (EMIS).

A quality assurance system is more than an MIS and to improve ECD programme quality assurance there are additional issues to consider moving forward:

- Shift to monitor process quality within ECD programmes.
- Development of easy-to-use guidance to help providers improve without regular visits from an inspection or quality support team, such as simple self-monitoring tools and basic scripted activities.
- Preparation by DBE of periodic on the state of ECD programmes. Such reports could provide frameworks within which provinces then conduct their own quality assurance.
- Introduction of incentives for providers to improve quality, for example, additional payments or distribution of materials linked to quality improvements.
- Provision of information to parents on ECD programme quality so they can make informed decisions about enrolment (where there is adequate service provision).
- Collaboration with NGOs active in the ECD sector to support the quality assurance process given limited human resources in DBE and PDoEs.

Regardless of the design of the quality assurance system, all providers should receive guidance and a pathway to quality improvement once they have registered.

Not costed. Exploratory work needed.

A7. Train ECD practitioners to follow effective practices (Phase 2). With the current qualification requirements (NQF levels 4 and 5), the amount of time required to train ECD practitioners will be too long due to constrained financing and training facilities, and because it is difficult for ECD practitioners to be absent for substantial periods for training. A more practical and effective option followed in several countries would be to conduct a needs assessment of practitioners followed by the development of a shorter, entry-level national qualification that is subsidised and widely rolled out through accredited training providers. For example, some countries, such as Ghana, Hong Kong and Kenya, have successfully contracted NPOs to undertake such training and such an approach could also be used in South Africa.

Not costed. Capacity needs assessment required.

A8. Improve the attractiveness of a career as an ECD practitioner through higher remuneration (Phase 2). ECD practitioners often have low levels of formal education, and

most are poorly paid, earning close to the minimum wage. Insecure funding flows of ECD programmes exacerbate practitioners' financial insecurity. This makes it difficult to retain better trained and more experienced staff. As ECD practitioners become professionalised, this should result in more generous ECD programme subsidy amounts so that practitioners can be paid a competitive salary to help improve retention and raise the quality of services provided. To ensure increases in the subsidy amount intended to raise practitioner remuneration are used for that purpose, child-practitioner ratios could for example be monitored through the new system to assure the quality of ECD programmes.

Indicative cost: **Additional R820 million per year**.

- *Additional cost per ECD practitioner of 25% increase (new average cost minus current average cost): R40,000-R31,000=R9,000 (source: PEIR).*
- *Number of ECD practitioners: 91,000 in 2021 (source: 2021 ECD Census).*
- *Note: There may be some unpaid ECD practitioners who would receive R9,000 after the increase compared to no remuneration before, these are not accounted for here.*
- *Additional annual cost: 9,000*91,000=R820 million.*

B. Reduced malnutrition in the early years

Inadequate and inappropriate nutrition in a child's early years can have dire lifelong cognitive and physical development impacts. In South Africa, malnutrition levels of young children are high compared to in other upper-middle-income countries. While there are several publicly provided nutrition interventions implemented by multiple government departments, there is insufficient coordination in the delivery of these interventions and some interventions are small scale. The public expenditure directed towards the examined nutrition interventions, particularly for young children before they enter grade R, is minimal. ECD programmes (see above) also provide an important avenue to reduce malnutrition though the provision of meals but mainly reach older children within the 0-5 age group, and only benefit children who attend such programmes. The proposed priority interventions to reduce malnutrition, particularly for children ages 0-24 months which is the most critical window, are discussed below.

B1. Allow women to apply for the child support grant (CSG) while they are pregnant (Phase 1). Delays in the initial receipt for the CSG following birth is a widely acknowledged problem. The reason for these delays is largely attributed to the amount of time it takes to collate and submit all the necessary documentation, including a birth certificate, to apply for the grant. Parents are not allowed to apply for the grant before the child is born, and for poor households that are dealing with a new-born, the cost and time involved in applying for the CSG is prohibitive. A potential solution is to allow parents to apply for the CSG when the expecting mother is in her second trimester. The application could be processed during the pregnancy and the approval from SASSA could be conditional on the provision of the birth certificate. This would also necessitate further improvements in the speed at which birth certificates are

issued. In addition, health workers should be encouraged to provide information on the CSG to eligible expecting mothers when they go in for antenatal care visits, and the CSG application form could be made available at all health facilities. This is particularly important given that the poorest children are less likely to access the CSG.

Indicative cost: **Additional R1.1 billion per year.**

- *Unit cost: R480 per month per child in 2022 (source: SASSA).*
- *Number of months to receive grant: 12*
- *Additional beneficiaries of age 0 to reach same coverage level as average for children ages 1 to 3 in 2021=average CSG coverage ages 1 to 3 minus existing CSG beneficiaries of age 0: (746,341+746,412+727,312)/3-550,341=189,681 (source: SASSA).*
- *Additional annual cost: 480*12*189,681=R1.1billion*

B2. Link the provision of the CSG with information and support for better nutrition and stimulation of young children (Phase 1). Evidence from other countries shows that linking child grant programmes with information about stimulation as well as improved nutrition support services yields better child development outcomes. This could involve regular home visits by trained Community Health Workers (CHWs) to CSG beneficiaries, or group meetings with community facilitators to talk with new parents about hygiene, nutrition and early stimulation for children through games, play and storytelling, both of which have shown significant improvements in parenting practices and child cognitive, language and socio-emotional development outcomes. This approach would require better integration and coordination of services between the social development and health sectors working through community-based health and social workers. One way to help achieve this level of coordination and collaboration is to have joint reporting of intervention implementation and coverage as well as outcomes within APPs and annual reports related to nutrition services. There are also opportunities for disseminating information on ECD during in-person applications at SASSA offices.

Indicative cost: Not costed.

B3. Raise the CSG amount for children ages 0-24 months from its current level to cover a basic per child food cost (Phase 2). There is a compelling argument for raising the CSG amount from its current level of R480 per month to a basic per child food cost of R624 per month for children ages 0-24 months as nutrition has its biggest impact on developmental outcomes during this period, and because improved nutrition at this stage has one of the highest expected rates of return among the different types of ECD investments. Yet, raising the amount of the grant will not be easy unless the economic outlook in South Africa improves, however, favourable demographic trends could reduce the cost of doing so.

Indicative cost: **Additional R2.57 billion per year.**

- *Unit cost (new minus current amount): R624-R480=R144 per month per child (source: Stats SA; SASSA).*
- *Number of months to receive grant: 12*
- *Beneficiaries to receive additional amount: age 0-12 months 550,341 (existing) and 189,681 (new), age 12-24 months 746,341 (source: SASSA).*
- *Additional annual cost: 144*12*1,486,363=R2.57 billion*

C. Strengthened institutional arrangements to support ECD service delivery

The ECD system has some strong foundations that can be built upon to strengthen service delivery, but further efforts are required to make it a comprehensive, high-functioning system. There are two priority areas. First, to strengthen leadership and coordination given the number of different sectors and all spheres of government being involved in delivery of ECD services. Second, for provincial departments to better link budgeting, planning and outcomes to improve resource allocation and use as well as accountability for performance.

C1. Revive and strengthen existing coordination structures in the ECD sector with support from higher levels (Phase 1). A key first step would involve reviving the existing Inter-Ministerial Committee for ECD to strengthen policy direction in the system, given that the structure already exists but has not been functional. Prior to the ECD function shift, having a single line ministry as the institutional anchor for ECD has not been successful in the South African context. In light of the constraints facing DBE, it may need to focus on what it can do most effectively given its comparative advantage, and what challenges it has the capacity and capability to solve in the short- to medium-term, while consensus is built around effective approaches to improve cross-sectoral coordination and a more cohesive vision for ECD.

There are several approaches that could be adopted to strengthen coordination across departments and spheres of government. First, a higher-level structure could serve as the institutional anchor – mandated to lead ECD planning and coordination. This could be the Department of Planning, Monitoring and Evaluation (DPME) a unit within the Office of the Presidency (and the Premier's Office in provinces), or an executive committee comprising the three core departments (education, health and social development), which could provide high-level visibility and political thrust for ECD services, as well as reducing bias toward specific sectors. Second, DBE could remain the institutional anchor for overall coordination but be empowered by a higher-level structure within the Presidency – similar to the structures established to deal with the HIV/AIDS crisis in South Africa or the institutional coordination structures adopted by Chile. Third, to reconsider the proposal in the NIECD Policy of establishing an ECD agency, but this is unlikely to transpire in the face of fiscal constraints. Regardless of the approach adopted, it is essential that the designated lead for coordinating ECD services has a clear mandate, political authority and adequate resources.

Given the focus on reducing malnutrition and improving early learning, the key departments involved in the Inter-Departmental Committee – supporting the Inter-Ministerial Committee, should include relevant and core line departments such as DBE, DoH, DSD, COGTA, the Department of Water and Sanitation, as well as DPME, National Treasury and the Office of the Presidency, which includes a unit specifically related to children. Other departments mentioned in the NIECD Policy could be brought into the committees as required.

Indicative cost: Within existing budget.

C2. Strengthen linkages and work towards holistic planning, budgeting and implementation to achieve ECD outcomes and allocate funding adequately and efficiently (Phase 2). A stronger focus on outcomes and the efficiency and adequacy of expenditure would require a deeper change in the existing planning system. Data collection and overall quality assurance systems would need to be centred around ECD outcomes. Two priority ECD outcomes are to reduce malnutrition in the early years and improve early learning. Given the multi-sectoral nature of ECD, these outcomes have implications for several departments.

Holistic planning needs to be instituted to ensure that outcomes are achieved collectively, with relevant departments being held accountable for implementing necessary programmes to achieve the agreed outcomes through the measurement and reporting of standardised indicators on key outcomes and implementation. The standardised indicators across departments and provinces should be intermediate indicators such as reporting on service delivery outcomes. The annual budgets for each responsible department could be assigned based on achievement of relevant ECD outcomes in the previous year. APPs and annual reports should clearly show the links between expenditure, implementation and outcomes. These processes would require strong leadership and regular dialogue across the main departments to ensure that key budget gaps are addressed, and complementarities are explored to achieve the largest possible improvements in ECD outcomes for any given expenditure. If a department can demonstrate that it has spent allocated funding on a particular intervention to improve child development outcomes and there is improvement, it could receive top-up financing in the next financial year.

Indicative cost: Within existing budget.

Table 28 Summary of options with selected indicative costs

First phase (1-2 years)	Second phase (3-4 years)
IMPROVED EARLY LEARNING	
Improving access to early learning services	
Option A1: Streamline the processes for ECD programme registration and subsidy application **Indicative cost:** Within existing budget.	**Option A2:** Provide more access to infrastructure grants for private providers of ECD programmes. Indicative cost: Not costed.
	Option A3: Provide provinces with sufficient funds to provide subsidies for all children attending ECD programmes who meet the eligibility criteria while returning the subsidy amount to its 2015 purchasing parity. **Indicative cost:** Additional R6.8 billion per year.
Improving the quality of early learning services	
Option A4: Conduct a capacity needs assessment for DBE and provincial departments of education and recruit and train staff as required in light of the ECD function shift. **Indicative cost:** Not costed.	**Option A7:** Train ECD practitioners to follow effective practices. **Indicative cost:** Not costed.
Option A5. Measure child development outcomes regularly**.** **Indicative cost:** Not costed. **Option A6:** Establish a system to assure the quality of ECD programmes that is focused on supporting and incentivising providers to improve quality **Indicative cost:** Not costed.	**Option A8:** Improve the attractiveness of a career as an ECD practitioner through higher remuneration. **Indicative cost:** Additional R820 million per year.
REDUCED MALNUTRITION IN THE EARLY YEARS	
Option B1: Allow women to apply for the child support grant (CSG) while they are pregnant. **Indicative cost:** Additional R1.1 billion per year.	**Option B3:** Raise the CSG amount for children ages 0-24 months from its current level to cover a basic per child food cost. **Indicative cost**: Additional R2.57 billion per year.
Option B2: Link the provision of the CSG with information and support for better nutrition and stimulation of young children. **Indicative cost:** Not costed.	
STRENGTHENED INSTITUTIONAL ARRANGEMENTS TO SUPPORT ECD SERVICE DELIVERY	
Option C1: Revive and strengthen existing coordinating structures in the ECD sector with support from higher levels **Indicative cost:** Within existing budget.	**Option C2:** Strengthen linkages and work towards holistic planning, budgeting and implementation to achieve ECD outcomes and allocate funding adequately and efficiently **Indicative cost:** Within existing budget.
Total additional annual cost	
R1.1 billion + costs to be established for A4, A5, A6 and B2	R10.2 billion + costs to be established for A2 and A7

Source: PEIR team.

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Annex A List of key informant interviews

Agency/organisation	Type	Name of interviewee(s)	Role/responsibilities
National departments			
Basic Education		Kulula Manona	Chief Director: Foundations for Learning
		Janeli Kotze	Deputy Director: Research Coordination, Monitoring and Evaluation
		Gladys Modise	Director: Budget Monitoring and Reporting
		Sello Lsilie Setange	Budget monitoring
		Babalwa Qonongo	Budget monitoring
Health		Lesley Bamford	Chief Director: Child, Youth and School Health
Planning, Monitoring and Evaluation		Mastoera Sadan	Responsible for the social sector in the National Planning Commission
Social Development		Isabella Sekawana	Chief Director: ECD and Partial Care
		Ivy Rapoo	Program Manager: ECD
Provincial departments			
KwaZulu-Natal Treasury		Nomthandazo Mjuza	Director: Provincial budget
		Smangele Mthembu	
		Reahola Ngaka	
KwaZulu-Natal Department of Education		Thoko Vilakazi	Director: ECD
		Denise Coleman	Deputy Chief Education Specialist
Limpopo Treasury		Motlhanke Phukuntsi	Deputy Director General: Sustainable resource management
		Senzo Zungu	Chief Director: Budget office
Limpopo Department of Education		Dr K Mphahlele	Deputy Director General: Curriculum management and delivery
Western Cape Department of Education		Haroon Mahomed	Head of branch: Curriculum and examinations
		Ruth Leukes	Chief Education Specialist: ECD
Western Cape Department of Health		Hilary Goieman	Director for Service Priorities and Coordination
		Nicolette Henney	Early life course unit
		Nousheena Firfirey	Late life course unit

Agency/organisation	Type	Name of interviewee(s)	Role/responsibilities
Development partners, NGOs and research organisations			
Education Outcomes Fund		Jared Lee	Chief Programmes Officer
		Yang Liu	Associate
		Daniel Dyonisius	Research Assistant
		Trine Jo Holmgaard	Manager
Ilifa Labantwana	National organisation focusing on ECD research and programme implementation	Zaheera Mohamed	Chief Executive Officer
		Colin Almeleh	Knowledge, Information and Data Solutions Director
Innovation Edge	Impact-first investor	Sonja Giese	Founding Director
Hollard Foundation/ Kago Ya Bana		Nobayeni Dladla	KYB ECD change management head
Impande	NPO	Brian Ligget	Director
		Kerry Kassen	Director, South Africa
Lego Foundation	Philanthropic Fundraising Services	Nicholas Dowdall	Program specialist
		Ana Maria Nieto	Senior program specialist
Motheo Training Institute	ECD training centre (co-chair of ISF)	Rex Molefe	Director and trustee
Nelson Mandela Foundation	Non-profit organisation	Sumaya Hendricks	Dialogue Analyst
Project Preparation Trust		Liesel du Plessis	Senior project manager
SA congress for ECD		Leonard Saul	Chief Executive Officer
SmartStart	Social franchise	Rebecca Hickman	Associate: Strategy and Advocacy
		Enganus Senona	Education specialist: ECD focal point
UNICEF	Multilateral development partner	Andrew Vivier	Education Manager responsible for ECD
		Lungile Mdluli	

Annex B Comparing quality standards and monitoring arrangements for selected countries

Note: these are examples of key quality standards but this table is not a comprehensive list of all aspects of quality that are essential or should be regulated.

		Denmark	Chile	India	Jamaica	UK
	Categories and elements of quality	National standards	National standards for all nursery / preschool establishments as per 2015 congressional bill.	MWCD Quality Standards for Early Childhood Care and Education. 11 non-negotiables plus wider set of standards	Standards for the Operation, Management and Administration of Early Childhood Institutions outline 12 standards.	Statutory Framework for the Early Years Foundation Stage mandatory for all providers, including schools, day-care, and childminders.
STRUCTURAL	Staff ratios	Ratios not nationally regulated but recommended: age 1-3 = 4-61:4-6; age 3-6 = 1:8	Educators: ratios of ~1:35 – 1:40 plus assistants at 1:6-1:16 (depending on age)	Age 0-3 = 1:10; age 3-6 = 1:20	Age 1 = 1:5; age 1-2 = 1:8; age 3-5 = 1:10 plus minimum of two adults on premises at all times.	Centres: age <2 = 1:3; age 2 = 1:4; age 3+ =1:8 or 1:13 (depending on qualification). Childminders: 1:6 (or max 3 under 5 or 1 under 1)
	Physical environment and safety	Health and safety regulations that cover such aspects as indoor space	Minimum standards for physical environment and sanitary conditions. Must have furniture, equipment, teaching materials and equipment	Classroom >35 sqm for 30 Children. Outdoor space available. Structurally safe. Must have safe water, adequate and separate child-friendly toilets and hand washing facilities.	Detailed requirements for the building, facilities, and equipment. At least 1.9 square meters per child; adequate play area outside; properly fenced and gated. Must have suitable and adequate toilets and handwashing facilities (ideally child-sized but not mandatory)	2-3 - 3.5 sqm. Guidelines on safety of indoor / outdoor space, smoking, risk assessments. Must have outdoor space and room for sleeping for children under 2 (not for childminders). Must have adequate number of toilets and hand basins.

		Denmark	Chile	India	Jamaica	UK
	Categories and elements of quality	National standards	National standards for all nursery / preschool establishments as per 2015 congressional bill.	MWCD Quality Standards for Early Childhood Care and Education. 11 non-negotiables plus wider set of standards	Standards for the Operation, Management and Administration of Early Childhood Institutions outline 12 standards.	Statutory Framework for the Early Years Foundation Stage mandatory for all providers, including schools, day-care, and childminders.
PROGRAMME	Learning program	Must use a curriculum (since 2004), across 6 key themes. National guidance exists but not mandated.	Must use a curriculum. National curriculum exists and can be used	Must use an appropriate (but not specified) curriculum delivered in the local language. Preschool should be 4 hours duration	Must have weekly program with wide range of domains specified. Encouraged to curriculum one approved by ECC	Must use national framework or one of 3 other approved curriculums
	Health and nutrition	Limited additional regulation. Lunch meal must be provided and meet nutrition standards.		First aid kit. Separate spaces for cooking nutritional meals and nap time for children	Sanitation, water, food storage, child health records, institutional plans and procedures. Staff trained in first aid, child abuse.	Child safeguarding policy required; basic requirements about medicine, food and drink, accidents or injury
INTERACTIONS	Child-caregiver, child-child and caregiver-families			Broader standards include guidance on interactions with children and their parents	Guidelines for interaction and positive behaviours; Regulation on corporal punishment	Guidelines for managing behaviour. Children assigned person to offer a settled relationship for the child and build parental relationship

		Denmark	Chile	India	Jamaica	UK
	Categories and elements of quality	National standards	National standards for all nursery / preschool establishments as per 2015 congressional bill.	MWCD Quality Standards for Early Childhood Care and Education. 11 non-negotiables plus wider set of standards	Standards for the Operation, Management and Administration of Early Childhood Institutions outline 12 standards.	Statutory Framework for the Early Years Foundation Stage mandatory for all providers, including schools, day-care, and childminders.
WORKFORCE	Staff qualification	Must have manager and deputy – both must be educators (3-5-year course at specialized training college. Assistants need secondary vocational training. No mandatory training for childminders.	Educators – 5-year university degree in ECE. Support staff – technical degree.	Adequately trained staff (not specified)	If child over 3 years, must have fully qualified teacher (with degree or diploma). All other staff must have had ECD training by an approved institution	Centres: the manager must hold relevant 'level 3' qualification. At least 50% of other staff must hold relevant 'level 2' qualification. Childminders: some relevant training required.
SYSTEM	Child development monitoring	No national regulations for ongoing monitoring. But age 3, the municipal council carries out language assessment	6 aspects of child development are formally assessed at pre-primary including through standardized tests and tasks	Broader standards include guidance on age-appropriate child assessment	Written observations of each child's progress categorized into areas of learning.	Must review progress of children aged 2-3 years and provide parents short written summary of their child's development
	Quality assurance	Municipal monitoring of quality and also approves curriculum being used	National body responsible for the accreditation and inspection of ECE services.	Not specified. Implemented by States. Limited roll out to date.	Early Childhood Commission (ECC) oversees all institutions. Inspections twice a year	Independent body (Ofsted) inspects for regulatory compliance and quality. Results published online.

Source: Reproduced with permission from Devercelli and Beaton-Day (2020).

Annex C Household expenditure on early learning

The most recent Statistics South Africa survey of the details of household expenditure is the 2014/15 Living Conditions Survey. However, that survey was not used for this analysis as ECD centre expenditure was only recorded for around 15% of households with children attending such institutions. The 2019 General Household Survey (GHS) appeared to offer the most useful data source, even though the GHS is not specifically a survey of household expenditure, and payments towards fees are recorded in terms of bins[133] of Rand values instead of actual Rand amounts.

The relevant question in the GHS 2019 questionnaire is as follows: '*Does the household pay any fees for [name] to be cared for, or attend an ECD facility? If yes, how much is paid per month?*'. Where a child attends what the survey considers an 'ECD facility', the response to the fee question, which could be 'None', is present in 99% of observations, and this level of coverage hardly differs by age or socio-economic status.

The numbers of individuals in the sampled households for which responses are available are reflected in the following two tables, using as row headings first the Stats SA 'type of ECD facility' breakdown, and secondly using age (Annex table 1, Annex table 2). The column headings refer to socioeconomic quintile of member-weighted households, where this is calculated using the following variables: household expenditure; ownership of a car; the highest level of education in household; and a random variable to facilitate partition in five groups of the same size.

Annex table 1 Individuals with ECD centre fee data by type of facility and quintile 2019

	Quintile 1 (poorest)	Quintile 2	Quintile 3	Quintile 4	Quintile 5 (richest)	Overall
Home based play group	1	1	1	2	1	6
Day mother/gogo/child minder	52	47	63	47	56	265
Crèche/educare centre	360	399	449	353	333	1,894
Pre-school/nursery school/ Grade 00/Grade 000	156	113	144	121	159	693
Grade R [not school]	106	86	92	79	75	438
Grade R [school]	266	243	205	173	121	1,008
Total	**941**	**889**	**954**	**775**	**745**	**4,304**

Source: GHS 2019.

Note: Grade R has been subdivided depending on whether a separate survey question indicates that the child is at a school.

133 The distribution of children in each fee bin lends itself it to a simple approach of using the midpoint within each bin. This would not distort the statistics unduly.

Annex table 2 Individuals with ECD centre fee data by age and quintile 2019

	Quintile 1 (poorest)	Quintile 2	Quintile 3	Quintile 4	Quintile 5 (richest)	Overall
Age 0	23	22	28	22	38	133
Age 1	39	43	79	56	57	274
Age 2	71	76	108	87	102	444
Age 3	145	151	164	121	140	721
Age 4	246	225	217	181	165	1,034
Age 5	284	264	250	191	163	1,152
Age 6	132	113	105	118	78	546
Total	**1,834**	**1,845**	**1,727**	**1,519**	**5,047**	**4,304**

Source: GHS 2019.

Note: Grade R has been subdivided depending on whether a separate survey question indicates that the child is at a school.

The vast majority of children from the poorest households pay fees to attend ECD centres. Among children attending any ECD centre, and not in schools-based grade R, 17% are reported as paying zero fees (Annex table 3).[134] While children in the poorest households are more likely not to pay fees than those in the richest households, a majority of them do pay fees (74%). Children who attend grade R not in a school (33%) and grade R in a school (64%) are much less likely to pay fees than children attending an ECD centre (17%).

Annex table 3 Children paying zero fees by type of facility and quintile 2019

	Quintile 1 (poorest)	Quintile 2	Quintile 3	Quintile 4	Quintile 5 (richest)	Overall
Day mother/gogo/child minder	93%	83%	78%	65%	51%	72%
Crèche/educare centre	12%	8%	3%	3%	1%	5%
Pre-school/nursery school/Grade 00/Grade 000	26%	26%	23%	13%	5%	17%
Grade R [not school]	43%	54%	40%	15%	17%	33%
Grade R [school]	83%	80%	66%	47%	31%	64%
Total	**41%**	**38%**	**28%**	**19%**	**12%**	**27%**

Source: Weighted estimates based on GHS 2019 data.

Note: Grade R has been subdivided depending on whether a separate survey question indicates that the child is at a school.

134 It is possible some of the zero values reflect a break during the year when no payment is required, or an inability to pay for one or a few months.

Fees to attend ECD centres pose a major barrier for children from poor households. Children from the poorest households pay on average R271-284 per month (Annex table 4), equivalent to around 47% of the monthly food poverty line per person of R585 and 33% of the lower-bound poverty line of R840 (Stats SA, 2020). Monthly fee expenditure on centre-based attendance is 42% higher than for schools-based attendance, the average fee expenditure for ECD centres being R509 compared to R348 for attending grade R in schools (Annex table 4, Annex table 5. This gap becomes much wider if only children from the 60% of poorest households are considered. Fees for centre-based attendance for children in this group is on average R238 a month, against R118 in schools-based grade R, giving a gap of 102%[135].

Annex table 4 Monthly fees paid by type of facility and quintile 2019

	Quintile 1 (poorest)	Quintile 2	Quintile 3	Quintile 4	Quintile 5 (richest)	Overall
Day mother/gogo/child minder	27	68	114	210	602	230
Crèche/educare centre	169	227	319	526	1,049	475
Pre-school/nursery school/ Grade 00/Grade 000	284	271	229	792	1,508	705
Grade R [not school]	181	187	350	698	1,043	502
Grade R [school]	69	101	194	486	1,190	348
Total	**155**	**187**	**270**	**558**	**1,139**	**474**

Source: Weighted estimates based on GHS 2019 data.
Note: 1) Grade R has been subdivided depending on whether a separate survey question indicates that the child is at a school. 2) Using midpoints, and zero when a payment of zero is reported, produces the mean monthly fee expenditure values shown.

Among the poorest households, fees do not appear change with age. Analysis, including regressing fee paid on age and the original measure of socio-economic status for children in the 60% of poorest households, does not find any statistically significant difference between what is paid for older and younger children.

135 A very similar gap emerges if centre-based expenditure is compared to schools-based expenditure for grades 1 to 3, using the separate school fee variable in the GHS 2019.

Annex table 5 Monthly fees paid excluding school-based grade R by age and quintile 2019

	Quintile 1 (poorest)	Quintile 2	Quintile 3	Quintile 4	Quintile 5 (richest)	Overall
Age 0	157	148	263	504	1,074	558
Age 1	266	246	270	510	749	438
Age 2	248	204	257	403	1,184	538
Age 3	158	239	316	583	992	485
Age 4	183	197	311	536	1,241	485
Age 5	184	243	354	785	1,221	568
Age 6	144	199	135	765	1,438	578
Total	**187**	**217**	**295**	**576**	**1,124**	**509**

Source: Weighted estimates based on GHS 2019 data.
Note: 1) Grade R has been subdivided depending on whether a separate survey question indicates that the child is at a school. 2) Using midpoints, and zero when a payment of zero is reported, produces the mean monthly fee expenditure values shown.

Annex D Overview: KwaZulu-Natal, Limpopo and Western Cape provinces

This annex provides an overview of selected resources, expenditure, outputs and outcomes for ECD in KwaZulu-Natal, Limpopo and Western Cape provinces to explore differences and similarities across the three, as well as compared to national averages.

Currently, there are an estimated 6.8 million children ages 0 to 5 in the country, with large differences across provinces. Out of the three examined here, KwaZulu-Natal has the largest number of children in this age group at 1.5 million, while Limpopo and Western Cape each has less than 1 million (Annex figure 1)[136], implying greater pressure to provide ECD services in KwaZulu-Natal.

At national level, only 45% of children who are enrolled in an early learning programme are on track on early learning by age 5. In Western cape 65% of children are on track, 44% are in Limpopo but only 29% are in KwaZulu-Natal (Annex figure. Of major concern are the 37% of children in KwaZulu-Natal, 27% in Limpopo and 16% in Western Cape, who by age 5 have fallen the furthest behind, which will severely restrict their subsequent schooling careers and overall development. Low early learning levels are reflected in low literacy achievement by grade 4, with an average PIRLS score of 320, which was the lowest average score among the 50 countries participating in PIRLS in 2016.[137] Further, children in Western Cape perform better on both early learning and grade 4 literacy than those in Limpopo, and considerably better than those in KwaZulu-Natal.

Early learning levels are related to nutritional outcomes and stunting among under-fives (a measure of chronic malnutrition) is high nationally at 27%, and among the three provinces, is highest in KwaZulu-Natal at 29% compared to 22-23% in Limpopo and Western Cape[138]. A contributing factor are adolescent pregnancies, which are common in South Africa, as children of adolescent mothers are more likely to become stunted (section 3.1). In KwaZulu-Natal a massive 19% of girls ages 15 to 19 years have begun childbearing compared to 12% in Limpopo and 8% in Western Cape (Annex figure 1). Another factor influencing early learning levels is attending a quality ECD programme, which is associated with better outcomes (section 3.1). Among children ages 3-5, nationally 72% attend an ECD programme, and programme coverage is highest in Limpopo (79%) and lowest in KwaZulu-Natal (61%), and the quality of these programmes is variable. Thus, increasing participation as well as raising the quality of ECD programmes is essential.

136 The average annual child population growth over the period 2017/2021 was 0.1% in KwaZulu-Natal, -0.4% in Limpopo and 0.5% in Western Cape (Figure 15).

137 Together with Egypt.

138 As discussed earlier (section 3.1) stunting does not only afflict poor children but children from more affluent backgrounds are also affected although to a lesser extent.

Nationally, there are 42,420 ECD programme, nearly 20% of these are in KwaZulu-Natal while 13% are in Limpopo and 11% in Western Cape (Annex figure 1). However, the number of ECD programmes per 100 children ages 3 to 5 is 1.1 in KwaZulu-Natal compared to 1.4 in the other two provinces, indicating that KwaZulu-Natal is relatively more under-serviced given the size of the relative size of the age 0-5 population in the three provinces. KwaZulu-Natal on average also has relatively fewer ECD practitioners in its system, 0.3 ECD practitioners per 15 children, compared to 0.4 in Limpopo and 0.6 in Western Cape, whereas a reasonable target given available resources may be somewhere around 1:15[139]. ECD programmes are also more crowded in KwaZulu-Natal (21 children per room) than in Limpopo (18:1) and Western Cape (14:1). This shows that there is a shortage of both ECD programmes and practitioners to accommodate the age 3-5 population in all three provinces, but to a lesser degree in Limpopo and Western Cape.

To improve nutritional outcomes for young children, especially during the first 1,000 days, is essential to promote overall child development (chapter 2.2). One way of doing this, building on an existing system, is through home visits by community health workers (CHWs) (section 7.3). However, at national level, there is a shortage of CHWs integrated into the health system at 0.8 per 1,000 individuals, and also in the two provinces that report on this: 0.9 in KwaZulu-Natal and 0.6 in Western Cape (Annex figure 1). In addition, CHWs already have high workloads with little room for additional activities (section 7.3). Another essential group of workers to promote child development is social workers. But currently there are only about 4,600 social workers in the whole system, out of which 1,843 are in KwaZulu Natal and 948 are in Western Cape[140]. Together this indicates the need to expand the numbers of CHWs and social workers to support child development especially in terms of nutritional outcomes and child protection.

139 The ratio of ECD practitioners per 15 children was selected based on the recommendation of 15:1 in the World Bank's SABER-ECD Framework (section 3.3).

140 Under the assumption that social workers are evenly distributed across these provinces.

Annex figure 1 Overview: key ECD inputs, outputs and outcomes in KN, LP and WC

		KwaZulu-Natal	Limpopo	Western Cape	South Africa
1	Population ages 0-5 in millions (2021)	1.5	0.9	0.7	6.8
	Outcomes				
2	Overall PIRLS literacy score (grade 4, 2016)	316	285	377	320
3a	Children enrolled in early learning programmes on track on early learning by age 5 based on ELOM 4&5 (2022)	29%	44%	65%	45%
3b	Children enrolled in early learning programmes falling far behind on early learning by age 5 based on ELOM 4&5 (2022)	37%	27%	16%	28%
4	Stunted children under-five (%, 2016)	29%	22%	23%	27%
	Outputs				
5	Children ages 3 to 5 attending an educational institution (%, 2019)*	61%	79%	74%	72%
6	Adolescents (15-19 years) who have begun childbearing (2016)	19%	12%	8%	16%
	Resources				
7	Total number of ECD programmes (2021)	8,089	5,368	4,715	42,420
8	Number of ECD programme per 100 children ages 3-5 (2021)	1.1	1.4	1.4	1.3
9	Total number of ECD practitioners (2021)	13,663	11,698	12,563	91,047
10	Number of children per teaching room in ECD programmes (2021)	21:1	18:1	14:1	17:1
11	Number of ECD practitioners per 15 children ages 3-5 (2021)	0.3	0.4	0.6	0.4
12	Number of community health workers (CHWs) integrated into the health system (annual, 2020/21)	10,350	n.a.	3,562	49,020
13	Number of community health workers integrated into health system per 1,000 people (planned, 2021/22)	0.9	n.a.	0.6	0.8
14	Total number of social workers (2020)	1,834	n.a.	948	4,597

Source: 1 Stats SA (2021); 2 PIRLS (2017); 3a, 3b Giese et al. (2022); 4,6, DoH (2017); 5 weighted estimates based on GHS 2019 data; 7,9,10 calculated based on ECD Census 2021 data; 8,11 calculations based on ECD Census 2021 and Stats SA (2021) data; 12 calculations based on SANT BAS data; 12,13 KN,WC APPs (2021/22) and DoH APP (2021/22); 14 KZN annual report (2020/21), WC PDSD APP (2020/21) and DSD (2021).

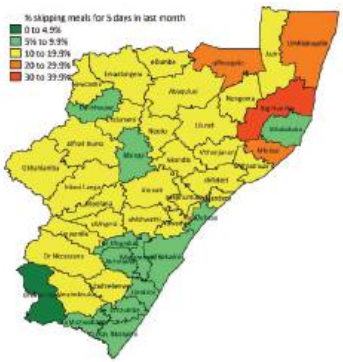
*Note: * Includes attendance grade R, pre-school, creche, day mother/gogo, home-based play group and other. **Total ECD subsidy expenditure divided by per child subsidy annual amount (R17 times 264 days). n.a. = not available.*

Within the three provinces, there are notable differences in the extent of acute food insecurity among households with young children and pre-school participation. Limpopo is in a more favourable position with a large proportion of its municipalities having a relatively low prevalence of acute food insecurity and relatively high participation rates for grade R and grade RR (dark and light green areas) (Annex figure 2). Western Cape does relatively better in terms of acute food insecurity but worse on grade R and grade RR participation. The situation is most dire for KwaZulu-Natal, where in a majority of its municipalities, the prevalence of acute food insecurity is 'very or extremely high' and grade R and grade RR participation is low.

Annex figure 2 Acute food insecurity and ECD programme participation by municipality in KN, LP and WC 2016

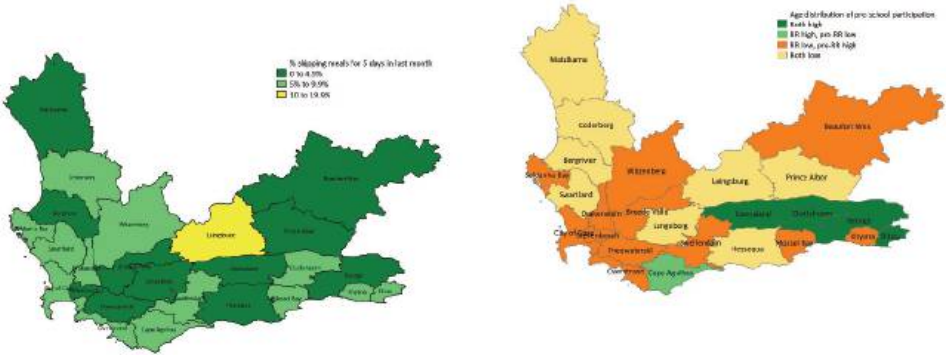
Acute food insecurity in households with young children	ECD programme participation across age groups

KwaZulu-Natal



Limpopo

Western Cape

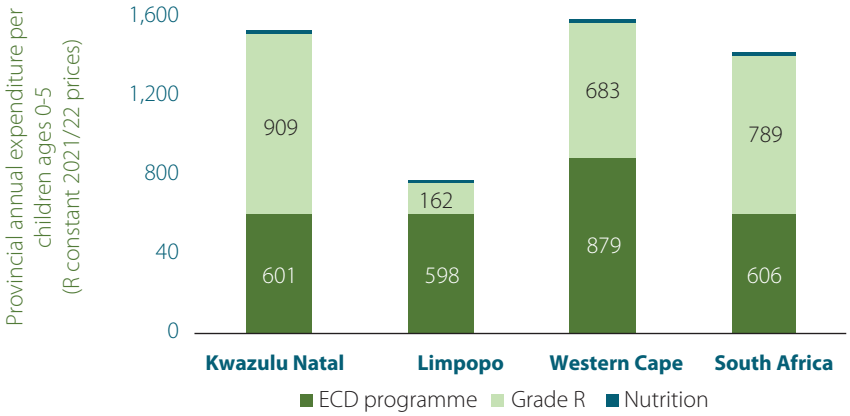


Source: Community Survey 2016 microdata.

Note: 1) Geographical units are local municipalities. 2) 95% confidence intervals per municipality are relatively wide, around 8 percentage points for the median-sized municipality.

KwaZulu-Natal and Western Cape spend roughly similar amounts per children ages 0-5 on ECD programmes, grade R and nutrition intervention combined, and somewhat more than the national average (Annex figure 3). The likely reason for expenditure on these interventions being notably lower for Limpopo is that the province records some of its grade R expenditure under budget programme 2 'Public schools ordinary education' rather than under programme 5 'Early childhood development'. In terms of specific interventions, Western Cape spends more per child on ECD programmes than both KwaZulu-Natal and Limpopo. Nationally and across all three provinces, expenditure on nutrition interventions for young children is minimal. Overall, expenditure is geared towards older children through the focus on grade R, which caters to children aged 5, whereas ECD programmes cover younger children, although the majority of children attending are in the age group 3-5.

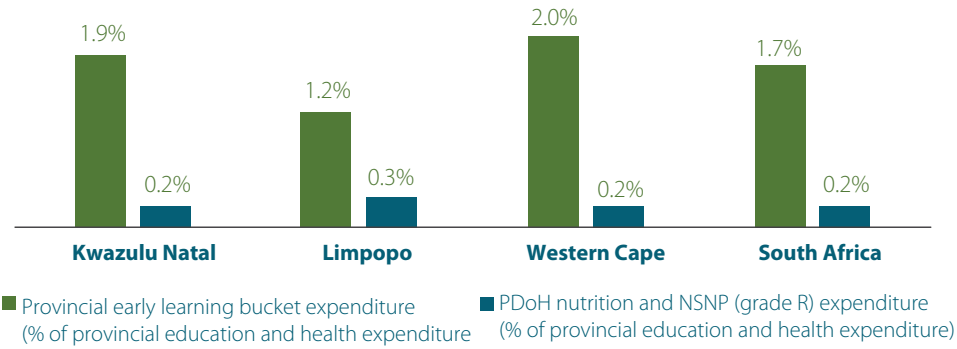
Annex figure 3 Provincial expenditure on key ECD interventions by KN, LP and WC 2021



Source: Total expenditure from Table 14, Table 19 and Table 23 and 2021 mid-year population estimates with Spraque tool published with MYPE in 2017 used to break five-year age bins down to single-years were used for the final denominator. Weighted estimates based on GHS 2019 data on participation inform the distribution of ECD centre and schools-based grade R expenditure across ages. 'Nutrition' sub-programme expenditure was assumed to be the same for all children.

Despite the high coverage of the child support grant and meals being provided at ECD programmes to attending children, malnutrition and hunger remain entrenched as discussed earlier. Yet, province expenditure on young children appears to prioritise early learning over nutrition interventions. In the three provinces, expenditure on the early learning interventions ranges from 1.2% to 2% of the combined provincial education and health sector budgets while province expenditure on PDoH nutrition interventions and the NSNP (for grade R) only comes to 0.2-0.3% (Annex figure 4).

Annex figure 4 Expenditure prioritisation of early learning and nutrition interventions by KN, LP and WC 2019/20



Source: Calculations based on National Treasury EPRE 2019/20 data.

Annex E Overview of national policies, legislation and strategic plans related to ECD

The Children's Act (Act 38 of 2005 as amended by Act No. 41 of 2007) has the purpose of giving effect to the constitutional rights of children and to set out principles relating to the care and protection of children. Chapter 5 and chapter 6 of the Act focus on early learning (including childcare) facilities (referred to as partial care) and programmes to support the "process of emotional, cognitive, sensory, spiritual, moral, physical, social and communication development of children from birth to school-going age" (RSA, 2005: p73). However, there are no legal entitlements to childcare and/or early learning services. Nutrition is referred to as part of the responsibilities of care facilities and parents/guardians to ensure adequate food for children, and through drop-in centres. The Act also includes a dedicated chapter (7) on protection of children.

The Children's Amendment Bill (B18-2020) to the Children's Act 2005 was introduced to Parliament in August 2020 by the Minister of Social Development to amend the Children's Act (2005). It is still in the process of being approved but the key amendments proposed to the Act were in relation to parental responsibilities, child marriage, unaccompanied migrant children, early childhood development, foster care, the funding of partial care and alternative care centres, adoption services and the role of municipalities. The clauses relating to early learning (referred to as early childhood development) were rejected due to insufficient consultations with DBE and the South African Local Government Association (SALGA). A Second Children's Amendment bill is currently in development.

The National Integrated Early Childhood Development Policy 2015 was prepared to support the attainment of the goals set out in the National Development Plan (2012). It acknowledges the integrated and multi-faceted nature of early childhood development, straddling across different government departments and partners. It further acknowledges that universally available and equitable access to quality ECD services depends on strong leadership, technical knowledge and expertise within the relevant departments and at the relevant levels of government responsible for the delivery of ECD services. The policy addresses childhood development from pregnancy until children enter school and provides for a comprehensive package of services for young children. The package covers free birth certification for all children in South Africa; basic health care and nutrition for pregnant women, infants and young children; parental support which includes income, nutritional, psychosocial and early education support; early learning support and services from birth in the home, community and in centres; and publicly accessible information about ECD services and support. Various stakeholders, including the Financial and Fiscal Commission (FFC), have called for the National Integrated ECD Policy (2015) to be legislated. However, clear accountability mechanisms are crucial, even if legislation is brought in.

The National Development Plan 2030 The vision for ECD in South Africa is articulated in the National Development Plan (NDP): Vision 2030 (2012) for universal access to high quality ECD programmes in the country. The objectives in the NDP that relate to ECD highlight that South Africa must "make ECD a top priority among the measures to improve the quality of education and long-term prospects of future generations. Dedicated resources should be channelled towards ensuring that children are well cared for from an early age and receive appropriate emotional, cognitive and physical development stimulation" (NDP 2019: p66). In addition, "all children should have at least 2 years of pre-school education".

The Medium-Term Strategic Framework 2019-2024 presents an outcomes-based monitoring framework and implementation priorities for the NDP and translates the ruling party's electoral mandate into government priorities over a five-year period. National Departments of Basic Education, Social Development and Health are the key ones responsible for reporting on outcome indicators related to ECD to the DPME. Priorities in the MTSF focus on universal access to grade RR and grade R, universal access to healthcare and lowering child and maternal mortality rates, quality ECD services to children ages 0 to 4 and increasing access to the child support grants. There are ambitious targets for access but targets around quality are much more limited.

The National Food and Nutrition Security Plan 2018-2023 has the goal to implement a priority set of actions and to set up the necessary institutional architecture to lead, coordinate, budget and monitor the implementation of these services to improve the food and nutrition status of all South Africans by 2030. The plan sets out specific indicators for the early childhood stage. These indicators are related to reducing the experience of hunger; decreasing food shortages among the poor, vulnerable and marginalized; and reducing the prevalence of under-nutrition in children (wasting and stunting), the prevalence of over-nutrition in children and the prevalence of low birth weight.

DBE Action Plan to 2024: Towards the Realisation of Schooling 2030 sets out 27 goals, the first 13 focusing on specific outcomes of the schooling system and the second 14 focusing on the how the improvements reflected in the first 13 goals are to be achieved. Goal 11 is "Improve the access of children to quality ECD below grade 1". The plan highlights that the opportunity that the migration of the ECD function from DSD to DBE presents an opportunity to not only increase ECD participation, but to also strengthen quality and improve monitoring. It emphasizes that nutrition deficiencies leading to stunting need to be tackled aggressively.

The Social Assistance Act (No.13 of 2004) provides the legislative framework for the implementation of social assistance in South Africa and among other things, makes provision

for a national-level agency responsible for delivering grants. The Act also specifically provides for the current suite of grants provided by government including the child support grant, the care dependency grant and the foster child grant.

The South African Social Security Agency Act (No.9 of 2004) mandated the establishment of the South Africa Social Security Agency (SASSA) to ensure the effective management, administration and payment of social assistance. SASSA was set up in 2006.